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COMMUNIST CHINA'S DOMESTIC CRISIS: THE ROAD TO 1964

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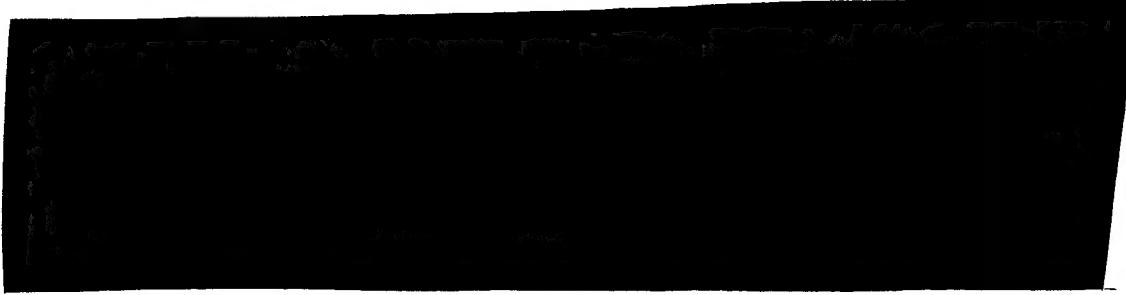
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OCI No. 1949/64

COMMUNIST CHINA'S DOMESTIC CRISIS: THE ROAD TO 1964

This is a working paper of the DD/I Research Staff. It analyzes the erratic development of Chinese domestic policy in the past 15 years and tries to shed new light on this question and also on the Sino-Soviet relationship and the matter of disagreements among Chinese leaders.

The paper attempts among other things to answer the question of what Mao Tse-tung and his favorites have learned from the failure of their "leap forward." It concludes that they have learned some lessons, but that they have not learned the most important lesson--that the "leap forward" strategy is itself defective--and that they are therefore likely to undertake another "leap," perhaps in 1966.



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INTRODUCTION

A crucial question in assessing the future course of domestic policy in Communist China is the extent to which Mao Tse-tung and his lieutenants have learned the lessons of the failure of their "leap forward" approach to economic development. In undertaking to answer this question, this paper will attempt to reconstruct the painful process of education experienced by the Chinese Communists in the economics of industrializing an overpopulated and underdeveloped country.

Central to this process of education has been a continuing debate within the Chinese Communist leadership over economic and military policy, a debate in which the relevance of Soviet experience and the role of Soviet aid have been questions of great importance. This paper will attempt to shed further light on this debate

[REDACTED] with new insights gained from an intensive review of the record.

This paper emphasizes throughout the views and policies advocated by Mao Tse-tung, who appears to dominate his party and government much more than does Khrushchev in the Soviet Union. We think that any assessment of national development policy in Communist China must center on the personality and conceptions of the man who has assumed the role of a latter-day Lenin -- Mao Tse-tung.

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COMMUNIST CHINA'S DOMESTIC CRISIS: THE ROAD TO 1964

Summary and Conclusions

The Background of the "Leap Forward"

There have been ambiguous and contradictory elements in Communist China's approach to economic development from the outset. On the one hand, there has been an awareness of inexperience in undertaking this new task and of the consequent need to rely on Soviet advice and assistance. On the other hand, there has been an intensely national and racial component in Chinese Communism (e.g. the claim advanced as early as 1946 that Mao Tse-tung had "created a Chinese or Asiatic form of Marxism") which has served to discourage Soviet leaders (even Stalin) from supplying the very economic, scientific and technical and military assistance essential to China's modernization.

Mao has repudiated the Soviet model of economic development and has sought his own solutions to the staggering problems of developing China's backward economy.

In statements issued in late 1949 and early 1950, Mao Tse-tung expressed his strategic contempt for China's population problem and advanced a call for "three years of preparation" and "for ten years of construction to build our country into a modern socialist state." As an early expression of Mao's revolutionary optimism and propensity to advance unrealistic economic goals, these statements constituted a significant precursor of Communist China's "leap forward" approach to economic development.

As the result of a series of setbacks and disappointments, Communist China's First Five Year Plan (1953-1957) was delayed in preparation and was not released until July 1955. In contrast with Mao's earlier predictions,

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the plan pictured industrialization and socialization of the economy as "a Herculean task requiring a comparatively long time" (that is, three five-year plans for basic achievement, and 40 to 50 years to attain the status of a highly industrialized great power), and it stressed that "the road already traveled by the Soviet Union is the road we must follow today." Within a matter of weeks, however, Chairman Mao would rise before a Conference of Provincial Party Secretaries on 31 July 1955 to countermand this directive and to point imperiously to another road.

The First "Leap" and Retreat

Dissatisfied with the rate and method of advance provided by the Soviet model, Mao Tse-tung apparently decided at this time to devise a new approach to the special problems of China's economic development. As outlined in a series of speeches and articles in the latter half of 1955 and in early 1956, this new approach was essentially an attempt to apply the "mass line"--which had proved so successful in the political and military struggles of China's revolution--to the infinitely more complicated process of socialist construction. Faith in the power of ideology to guide and motivate, in the efficacy of political work, and in the "unlimited creative power" of the masses--these were the main ingredients of the "leap forward" approach to the socialization and construction of China's economy introduced by Mao Tse-tung in tentative and incomplete form at this time.

As is well known, Mao's call in mid-1955 for an "upsurge" in the socialization of China's agriculture resulted in drastically foreshortening the original timetable from three five-year plans (1953-1967) to a little over one year. Mao's rationale for stepping up socialization at this time is of fundamental importance for understanding the subsequent evolution of domestic policy in Communist China. For the first time, China's special conditions (a huge population, shortage of cultivated land, recurring

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natural calamities and backward methods of farming) were advanced to justify a distinctive Chinese approach to agricultural development. Central to this new approach was Mao's view that manpower, properly organized and motivated (in the lower and higher level cooperatives and subsequently in the communes), could be substituted for tractors and other machinery in a program of rapid agricultural development.

Elated by the successful speed-up of collectivization, Chairman Mao called in December 1955 for a parallel "upsurge" in economic development. Basing his call on an almost mystical belief in the "unlimited creative power" of the masses and stressing the principle that "political work is the lifeline of all economic work," the Chinese leader shortly thereafter launched China's Draft Twelve Year Program for Agriculture (containing the inspiring if unrealistic target of doubling food production) and a companion Twelve Year Plan for Science and Technology (containing the equally unrealistic target of achieving advanced world levels in scientific research by 1967). And in order to fulfill Mao's prediction of a tremendous expansion of production following agricultural collectivization, a massive investment and construction program was carried out in the countryside which would subsequently be described as Communist China's first "leap forward" in economic development.

It is instructive to compare this program with that advanced by Mao's future antagonist, Khrushchev, at the 20th CPSU Congress held in February 1956. Of first importance was the contrast between Mao's emphasis on ideological and political work as the key to economic development and Khrushchev's de-emphasis of theory in favor of "practical work" and "material incentives." Moreover, since the Peiping regime would counterpose the concept of a "self-reliant and comprehensive industrial system" shortly thereafter, there is reason to believe that Mao already opposed the degree of bloc economic integration advocated by Khrushchev at this congress. In retrospect, it appears that major issues in the Sino-Soviet dispute over economic policy and economic relations had already emerged by the spring of 1956.

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The second half of 1956 was a time of disillusion and alarm for the Peiping regime, disillusion over the failure (particularly in agriculture) of the first "leap forward" in economic development, and alarm over the repercussions of de-Stalinization within the Communist bloc. It was a time for reappraisal of domestic policies, a process in which Soviet views on economic development seemed to coincide with those of a moderate grouping of government administrators and economic specialists among the Chinese leadership to whom Mao Tse-tung apparently turned for advice and assistance in restoring order to China's disorganized economy. As the most prominent member of this moderate grouping, Premier Chou En-lai set forth a number of these views in his Eighth Party Congress report on the draft proposals for Communist China's Second Five Year Plan (1958-1962).

Despite this moderate trend in domestic policy, there were already signs in the fall of 1956 of mounting friction in the relations between Communist China and the USSR. First, there were indications that Khrushchev had become incensed by Mao's pretensions to leadership of the underdeveloped areas of the world. Of more immediate concern to Moscow was Communist China's intervention at this time in Eastern Europe, encouraging early Polish and Hungarian demands for greater independence and assigning much of the blame for disturbances there to Russian "great power chauvinism." Although the Chinese in the winter of 1956-57 helped to contain the troubles in the bloc that they had helped to produce, the cumulative effect of Chinese declarations of economic independence, political independence (encouraging others as well), and doctrinal independence was apparently too much for Khrushchev to tolerate. For it was at this point that the Soviets threatened for the first time to withdraw their experts and technicians from Communist China.

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And in mid-1957, when China's intellectuals launched a damaging "rightist attack" against the CCP, and the system of large-scale agricultural collectives established the preceding year began to disintegrate, the period in which Mao Tse-tung appeared to rely on a moderate grouping of "administrator-economists" in the Chinese leadership came to an abrupt halt.

The "Great Leap Forward" and Great Retreat

Dissatisfied with the results of moderate economic policies and shocked by the outcome of "liberal" political policies, Mao Tse-tung initiated a series of radical policy decisions in late 1957 and early 1958 which would culminate in the "great leap forward" and a serious crisis in Sino-Soviet relations. Faced with a rapidly growing population, with relative stagnation in food production and dwindling food reserves, with a disaffected intellectual class and with mounting dissatisfaction among the peasants and rural cadres, Mao reacted by reviving and expanding the "leap forward", labor-intensive approach to China's economic development which he had advanced in tentative and incomplete form in the winter of 1955-1956.

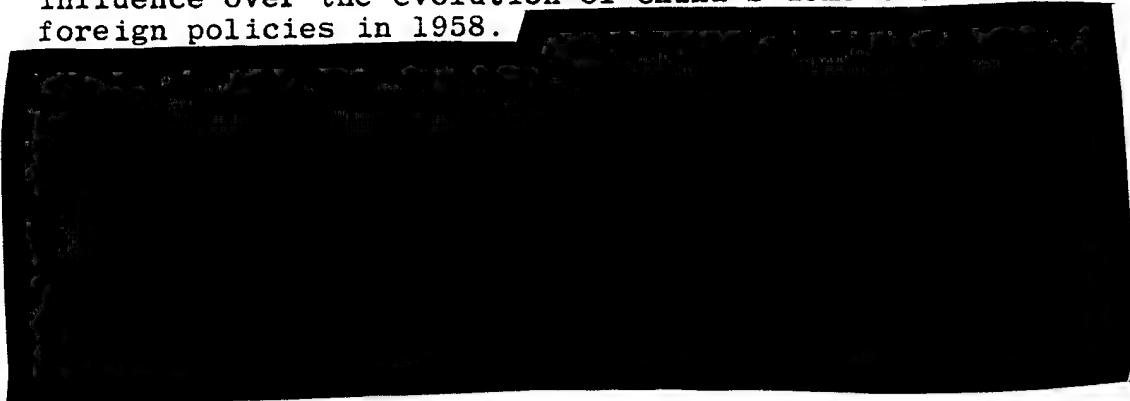
It is difficult to exaggerate the importance of this decision--to exploit the economic factor of labor power--in the evolution of the "great leap forward" and commune programs. The underlying premise was a simple one--that

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the solution to the problem of economic development (first of all, agricultural development) lay in the massive and intensive application of China's abundant labor supply. This tremendously augmented labor effort would have to be secured without resort to material incentives; the incentive policy had already been tried and found wanting and in any case was ruled out in order to maximize savings and investment for future growth. Given these conditions, it became imperative to devise a mechanism through which the party could effectively mobilize and control the rural labor force and at the same time restrict consumption. This mechanism would in time appear as the people's commune.

Following closely after the Chinese Communist central committee plenum, the proceedings of the Moscow conference of Communist parties in November 1957 (and the negotiations surrounding it) would also exercise strong influence over the evolution of China's domestic and foreign policies in 1958.



Communist China's trilogy of distinctive development programs--the "general line of socialist construction," the "great leap forward," and the communes--were conceived and developed [REDACTED] in the spring of 1958. At the second session of the Eighth Party Congress meeting in May, Liu Shao-chi formally introduced China's own "general line of socialist construction" and epitomized the "great leap forward" spirit by describing the age as one when "twenty years are concentrated in a day." It was this session which demonstrated the new dominant role of a group of party-machine leaders who,

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together with Mao Tse-tung, would dominate and control the "great leap forward" and commune movements. As the most prominent member of this grouping, Liu Shao-chi provided the rationale for the party's arrogation of authority and control over China's economic development program when he asserted "we can produce more grain, coal and iron by formulating and carrying out correct political lines...by raising the socialist consciousness of the workers and arousing the enthusiasm of the masses."

With the appearance of the commune in July, Communist China's unorthodox trilogy of domestic development programs was complete. Representing a return to the "mass line" approach to socialist construction, they called for total mobilization of all available resources in order to break through the formidable barriers to China's economic and social development, in particular its huge population supported by a weak agricultural base. Whereas Khrushchev in mid-1959 was to stress that the lack of "necessary material conditions" had foredoomed the early Soviet experiment with communes, Chairman Mao in 1958 arrived at just the opposite conclusion--that under the conditions of a have-not, underdeveloped Oriental economy, the commune itself would have to be the instrument to effect rapid economic development.

Because the results are well known, Peiping's frenzied efforts in succeeding months to achieve a "great leap forward" in all sectors of the economy will be only briefly summarized. The first objective was to realize a "leap forward" in agriculture by implementing eight basic rules of agricultural production (Mao Tse-tung's "eight point charter"), with special emphasis on deep plowing and close planting as the means for achieving a technological break-through in production. As implemented with fanatical determination by party enthusiasts, first agricultural planning, then agricultural statistics, and finally agricultural science were subordinated to political ends in the best Stalinist tradition. The end result of this exercise [REDACTED] was Mao's claim in October that Communist China would double grain production not only in 1958 but also in 1959.

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Following large-scale agricultural construction and production, the second objective of these programs was to promote a "leap forward" in industrial development by relying upon labor-intensive "native" technology performed by the "greatest labor army in the world." Incited by Mao's call in late August "to launch a great leap forward in iron and steel production by 15 September," a gigantic peasant labor army in excess of 50 million was organized to construct hundreds of thousands of "backyard" iron and steel installations throughout rural China. The third objective of China's frenetic speed-up of economic activity in 1958 was to accelerate the mechanization and electrification of agriculture. Following short-lived experiments with locally-produced "baby" tractors, the "native" production of ball bearings, and commune construction of small hydroelectric power stations, the Chinese Communists claimed in September to have discovered in the towing-cable machine a substitute for "those complicated big machines /i.e. tractors/ which are hard and expensive to produce" and thus "a short-cut to agricultural mechanization and electrification under the concrete conditions of our country."

These then were the extravagant economic and ideological pretensions initially advanced for Communist China's commune and "great leap forward" programs in the summer and fall of 1958. The realization in the months that followed of the patent falsity of these pretensions was a traumatic experience from which the Chinese Communist party has yet to recover. Responding to the pressure of events and to the rising tide of both Soviet and domestic criticism, the Chinese Communists initiated a period of "great retreat" at the Wuhan central committee plenum in December.

To Western analysts of Chinese Communist politics, the period extending from the fall of 1958 through the summer of 1959 is in many respects the most interesting and revealing since the founding of the Chinese People's Republic. As recent reporting has made increasingly clear, this was a period of active Soviet intervention in the policy deliberations of the Chinese Communist leadership, ranging from Khrushchev's direct representations to Mao Tse-tung, through threats and sanctions, to intrigue

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with dissident elements in the Chinese party. It was also a period when domestic opposition to Mao's policies assumed major proportions. The convergence and crystallization of these forces in Minister of National Defense Peng Te-huai's attempt to persuade the CCP central committee to reverse course in mid-1959 would not only pose a serious challenge to Mao's leadership but also force fundamental decisions about China's relationship with the Soviet Union.

Responding both to Soviet and domestic pressures, the Chinese Communist leadership was compelled to undertake a fundamental and humiliating retreat encompassing both the "great leap forward" and commune programs. Because political considerations were to perpetuate hopelessly unrealistic "leap forward" goals until well into 1959, the magnitude of Chinese Communist retreat was more readily revealed in the commune program proper.

Apparently acting on this assumption, Moscow responded with a substantial increase in both military and economic assistance in 1959. Another significant feature of this period of general retreat in domestic policy was the return to prominence of moderate elements within the Chinese Communist leadership who presumably favored closer Sino-Soviet economic and military cooperation. Symbolizing this development was the re-emergence of Premier Chou En-lai as a principal spokesman for the Chinese Communist regime, entrusted with making a conciliatory speech at the 21st CPSU Congress in February, with concluding the new Soviet economic aid agreement in Moscow, and with re-defining the "great leap forward" in more modest terms at the April session of China's National People's Congress.

Although there is much still obscure about the reported "violent confrontation" between Minister of National Defense Peng Te-huai and Mao Tse-tung at the Lushan central committee plenum in mid-1959, the following propositions can be advanced with various degrees of confidence:

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(1) that Peng circulated a memorandum at the first session of the party conference in July attacking the "great leap forward" and communes and urging "an about-face;"

(2) that Peng communicated (probably beforehand) similar views in a letter to the Soviet party;

(3) that these views coincided with those of Khrushchev, who may very well have encouraged him in this endeavor during his visit to the Soviet Union;

(4) that although Peng centered his fire on domestic issues, the real issue between Peng and Mao was military policy and the advisability of making concessions in order to ensure continued Soviet military, technological and economic assistance;

(5) that the Soviet asking-price for continued assistance included abandonment of the "great leap forward" and communes, in fact if not in name, and acceptance of a joint defense system in the Far East featuring Soviet control over nuclear weapons and their delivery systems in China;

(6) that Peng won support in varying degrees from a number of members of the central committee, including fellow-politburo member Chen Yun and possibly to a limited extent even Premier Chou En-lai; and

(7) that Mao Tse-tung then rallied his supporters, counterattacked and won the day at the second Lushan session in August, resulting in the punishment of Peng and his more intimate supporters as members of a "right-opportunist anti-party group."

In retrospect, it appears that this victory by Mao Tse-tung and the "party-machine" or "native radical" grouping at Lushan was a decisive turning-point in the development of Communist China's domestic and foreign policy, especially in the development of Sino-Soviet relations. Reacting to Soviet sanctions [REDACTED] and [REDACTED]

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to Soviet subversion [redacted]

[redacted] the dominant leaders apparently decided at Lushan to subordinate the military and economic assets of the Soviet alliance to larger political and ideological ends. Another consequence of the Lushan plenum was to seriously weaken the influence of more moderate elements within the CCP. Although there would continue to be significant policy differences among the Chinese Communist leadership, the limits of tolerable dissent would be sharply circumscribed after this decisive party conference.

The Continuous "Great Leap Forward" and Prolonged Retreat

The latest completed cycle of advance and retreat in Communist China's domestic development program, the roughly three-year period extending from the fall of 1959 to mid-1962, opened with the defiant prediction of "a continuous leap forward throughout the whole decade of the sixties" and closed with the unprecedented admission that the Chinese Communist party's central committee had "lost its way" in the charting of economic policy. The decisive turning point was, of course, the summer of 1960 when the combined effects of successive bad harvests and Soviet withdrawal of technicians caused the "great leap forward" to collapse. Instead of the promised continuous "leap forward", the experience of the Chinese people so far throughout the 1960's has been one of continuous crisis.

One of the most interesting conclusions emerging from a review of this period is that the Chinese Communist leadership, having identified and admitted a number of mistakes in the implementation of its "great leap forward" and commune programs in 1958, then proceeded almost willfully and systematically to make the same mistakes in 1959-1960. The apparent explanation for this remarkable performance is that it was motivated in large part by political considerations, principally the need to uphold the prestige of Chairman Mao and the party leadership against internal and increasingly vocal external (Soviet) attack.

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The immediate Chinese Communist response to the combined attack of the Russians and Peng Te-huai at Lushan was to acclaim Mao Tse-tung "the most outstanding contemporary revolutionary, statesman and theoretician of Marxism-Leninism." Of particular interest were the new claims advanced at this time for Mao's creative development of the Marxist-Leninist theory of socialist construction. For the first time, the Chinese leader was credited with discovering a number of principles underlying the "high-speed expansion of socialist construction," especially his "discovery" that the human factor ("subjective initiative") outweighed the material factor in the production process and that political indoctrination was more important than material incentives in increasing production.

The first step in reviving the "leap forward" approach to economic development in the fall of 1959 was to launch a nation-wide "socialist education" campaign designed to "activate the enthusiasm of the broad masses for labor." The next step was once again the subordination of statistics to political ends, a development revealed with surprising candor by the newly-appointed Director of the State Statistical Bureau in November when he asserted that statistics "must reflect and eulogize the great victory of the party's general line of socialist construction." The third step was revival of the "short cut" strategy to agricultural abundance, mechanization and industrialization which had been such a prominent feature of the "great leap forward" in 1958.

To prepare for the upsurge in agricultural production, China's peasants were once again mobilized in a huge labor army totaling 70 million to undertake water conservancy construction and fertilizer accumulation in the winter of 1959. Still another indication of "leaping progress" in agricultural development at this time was a secret report (approved by the party central committee) of a national agricultural science research work conference which hailed the "extraordinary results" achieved in the cross-fertilization of crop species (e.g. paddy-rice with corn) and the cross-breeding of livestock species (e.g. cows with pigs, cows with sheep and sheep with pigs). The new "short-cut" strategy in the related field of agricultural modernization was exemplified by the announced

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invention of a rice-transplanting machine which could be manufactured by commune industrial units employing "native" iron and steel and which was to be rushed into operation on 70 percent of China's paddy rice fields in 1960. Even more bizarre was the "ultra-sonics" campaign (a nation-wide drive to equip small steel smelters with ultra-sonic whistles) launched in the latter half of 1959 as a desperation measure to improve the quality of steel production and sustain a continued "leap forward" in the iron and steel industry.

Equally striking evidence of the purblindness of the Chinese Communist leadership was the decision to revive a number of the features and goals of the original commune program. First was a nation-wide drive to restore the commune mess-halls and thus control the distribution and consumption of foodstuffs in the countryside. Even more objectionable to the peasants was the decision once again to coerce individual commune members into surrendering their "private plots." Next was the revelation that the regime still adhered to the original time-table calling for all-people (i.e. state) ownership over all the means of production and output of the communes within a period of three to six years. The final example was the announcement in March 1960 that the Chinese Communist leadership intended to revive the urban communes which had proved so impractical and unpopular in the initial period of experimentation in the fall of 1958.

With the publication of the polemical Lenin Anniversary pronouncements in April 1960, the Chinese Communists issued an unmistakable challenge to Soviet ideological and political leadership of the international Communist movement. As is now well known, the Soviets responded to this challenge at the Bucharest conference in June by circulating a long letter denouncing the Chinese and threatening to reduce aid unless the CCP backed down. When Khrushchev attacked Mao for being as vain and isolated from reality as Stalin had been and when the Chinese responded in kind, including a personal attack on Khrushchev for having "betrayed" Marxism-Leninism, the moment of truth had arrived. With the mass exodus of Soviet technicians in August, the Chinese Communists were left

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to cope unaided with perennially difficult economic problems suddenly grown much larger.

The immediate Chinese response to the Soviet withdrawal of technicians was one of defiant optimism. In a key 16 August Red Flag article and in other policy statements throughout October and early November, Communist China's leadership asserted an unshaken confidence in its ability to surmount the new economic difficulties. As a practical response to the mounting food shortage, the regime reduced the already inadequate level of grain rations by about 10 percent; halted all non-essential work programs to conserve human energy; and assigned increased priority to agriculture for manpower and materials. Most strikingly, it was decided at a high-level party meeting in October to undertake a fundamental retreat in China's rural commune program.

Although official optimism continued for some time, indications of alarm began to appear in published discussions in early 1961.

The basic cause for alarm was the sudden outbreak of large-scale dissidence in several calamity-stricken provinces in October and November 1960, particularly in Honan and Shantung. The popular uprisings in Honan were especially serious, engulfing the entire province and far surpassing the ability of loyal militia units to maintain order. Reflecting this, Minister of National Defense Lin Piao warned in January that "we ought to expect more political troubles and incidents in 1961, especially the first half, than in any previous year" and called for extraordinary measures "to ensure that the armed forces do not get out of hand."

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The basic cause of these popular uprisings was, of course, the severe shortage of food--reaching famine proportions in the disaster areas of East and North China. Confirming Chou En-lai's admission in February 1961 that "living conditions were critical," [REDACTED]

[REDACTED] Moreover, Mao Tse-tung himself was to suggest (unwittingly) that the total of these "unnatural deaths" exceeded five million in 1960-1961.

When finally aware of the magnitude of the political and economic crisis confronting them, Communist China's leadership reacted promptly with a series of urgent corrective measures. Of first importance was to ensure the continued loyalty of the People's Liberation Army during this time of national emergency. Next were emergency actions to cope with the acute food shortage which would reach its most critical point in the spring of 1961. Internally, these included encouraging the cultivation of quick-growing catch crops on "private plots" wherever possible; exhausting national reserves of grain for emergency distribution; and mobilizing medical personnel to go to the countryside to treat the most serious malnutrition cases. Externally, all food exports were halted, and limited foreign exchange holdings were depleted to rush some two million tons of food imports by May and June of 1961.

Together with the inauguration of these urgent relief measures, the Peiping regime was equally concerned with devising a rationale for the disastrous results of Communist China's "great leap forward" in economic development. Since party policies were by definition correct, it followed that these policies (in the language of the Ninth Plenum communique of 20 January 1961) had been "sabotaged" by "bad elements, that is, landlord and bourgeois elements" among the party's rural cadres, and that accordingly these "bad elements" would have to be "purged" in a nation-wide "rectification campaign." [REDACTED]

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In less seriously affected areas, cadre responsibility took the less reprehensible form of errors and defects in the implementation of "correct" party policies. Perhaps the most serious of these cadre errors was the "empty boasting style" which was held largely responsible for the failure of the "great leap forward." The standard explanation, both then and later, was as follows: overzealous local cadres had reported false achievements (especially exaggerated harvest figures) to higher authorities, causing them to draw up unrealistic plans and (in the more extreme formulation which would be advanced by Chou En-lai in mid-1962) causing the central committee "to lose its way."

As a result of this new appreciation of the gravity of their domestic crisis, Communist China's leaders in the period of early 1961 apparently decided to adopt a policy of at least tactical accommodation toward the Soviet Union. During protracted trade and aid negotiations extending through April, the Peiping regime made a number of conciliatory gestures, including the almost unprecedented appearance of Mao Tse-tung and the entire standing committee of the politburo at the Soviet embassy reception commemorating the Sino-Soviet treaty anniversary. Most striking of all was the new importance attached to Soviet aid by Vice Premier Chen I in a March interview with Hungarian newsmen. Whereas the preceding November he had publicly denigrated the value of Soviet aid, Chen now conceded that "although each of us does whatever he can, what is decisive for all of us is naturally the help we receive from the Soviet Union."

As is now well known, the "help" which the Chinese had hoped to obtain in these negotiations was not forthcoming. Shortly after the conclusion of a disappointing trade pact in early April, the Chinese Communists broke their four-month silence by granting a loan of \$125,000,000 to Albania as a reward for its support in the Sino-Soviet

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dispute and by invoking Mao Tse-tung's authority to attack Khrushchev's "peaceful coexistence" strategy. As it had begun the preceding August, Communist China's initial period of retreat in domestic policy ended in mid-1961 on a note of defiance.

In contrast with the triumphant celebration of its thirtieth anniversary a decade earlier, the Chinese Communist party could find little to celebrate on the occasion of its fortieth anniversary on 1 July 1961. In a rare allusion to current policy, Liu Shao-chi revealed on this occasion that the much-vaunted people's commune (originally conceived as a comprehensive economic, political, military and social unit) had been redefined as an organization "formed by agricultural cooperatives joining together." Even this more modest formulation would soon be outdated, for it was just at this time that the rural commune almost completely disintegrated. Following the collapse of the commune messhalls, the re-appearance of supply and marketing, handicraft and credit cooperatives signified that Communist China had reverted to the pre-commune pattern of institutions in the countryside. What is more, the retreat did not stop with the large-scale collective farm (averaging some 250 households) which had immediately preceded the commune, but extended all the way back to the small-scale collective farm (averaging 100 households) which had characterized the early stages of China's cooperative movement.

Together with the enforced retreat in rural policy, the regime began at this time to implement a series of drastic measures designed to rationalize ("readjust") China's badly crippled industrial sector. These measures included closing down thousands of small, inefficient plants thrown up hastily during the "great leap forward" and the wholesale transfer of surplus industrial labor back to rural areas, with the planned figure (including dependents and others engaged in supporting trades) mounting to 30 million in the spring of 1962. It was also at this time that the party leadership inaugurated a new policy of conciliating China's much-maligned intellectual class, especially scientists and technicians, in an effort to speed up development of an indigenous Chinese scientific and technological capability.

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These further retreats were reflected in a series of interviews granted Western visitors by Chinese Communist leaders in the fall of 1961. Of particular interest was a lengthy interview granted to Viscount Montgomery by Mao Tse-tung in which the Chinese leader admitted that economic decentralization in the period 1958-1960 had produced waste and inefficiency ("due to inexperience and bad organization on the lower echelons") and cited the conclusion of a government survey that, instead of the normal population increase each year of fifteen million, an annual increase of ten million was "as much as could be safely handled" in Communist China. Although somewhat vague on the specific means for effecting this 50 percent reduction in annual population growth, Mao revealed in this interview a new awareness of the critical nature of China's population problem and at the same time foreshadowed the extensive birth control campaign which would be initiated in 1963.

It was at just this time that Khrushchev, perhaps believing that three years of agricultural calamities had sapped Peiping's will to resist, decided to launch a new offensive against the Chinese Communists at the 22nd CPSU Congress. Although the campaign was ostensibly directed at tiny Albania, it soon became apparent that the real object was Mao Tse-tung, the only significant challenger to Khrushchev's leadership of the international Communist movement. The Soviet campaign against the Chinese leadership reached peak intensity in January 1962, when, following a year of sustained economic pressures, the Soviet leadership threatened in quick succession a "complete organizational break" with the Chinese party and renunciation of the Sino-Soviet military alliance. However, instead of carrying out these ultimate threats, the Soviet party then decided to send a conciliatory letter to the Chinese party on 22 February 1962.

In an apparently related development, there emerged at this time signs of controversy among the Chinese Communist leadership, and it seems fairly clear that one purpose of the Soviet inter-party letter dispatched on 22 February was to furnish leverage--on the eve of both the Chinese National People's Congress and the conclusion

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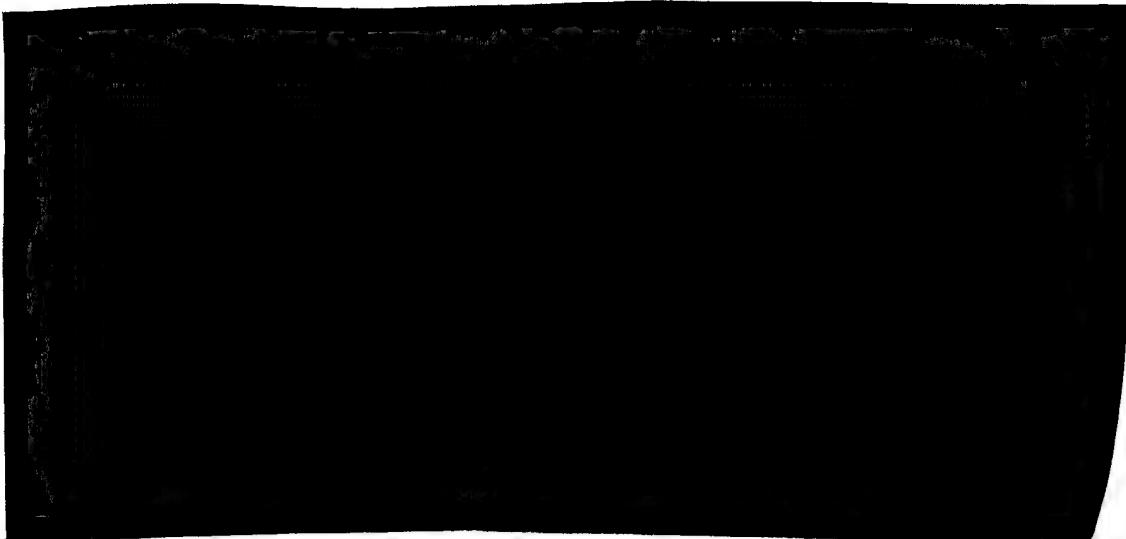
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of Sino-Soviet trade talks--for moderate elements in the CCP to use to bring about changes in domestic and foreign policy, especially a change in Chinese policy toward the Soviet Union. It is also fairly certain that the Chinese decision in early March to postpone its congress session for three weeks was for the purpose of holding a high-level party meeting to consider this Soviet proposal and, of equal importance, to resolve the continuing controversy over domestic policy.

The outcome of this high-level party conclave was a signal victory for moderation in domestic policy. For the first time, the Chinese Communist leadership felt constrained to admit that it had committed "errors" (indeed, "grave errors") in its "great leap forward" program. This admission was first made indirectly in a curious 29 March People's Daily editorial summarizing four years of water conservancy construction on the Urumchi River, an editorial clearly intended as an allegorical discussion of Communist China's "leap forward" experience in socialist construction. The first explicit admission that the Chinese Communist regime had committed "mistakes" in its economic development program appeared shortly thereafter in the communiqus issued by the National People's Congress and the Chinese People's Political Consultative Conference (held concurrently).



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In contrast with this strategic retreat in domestic policy, the Chinese Communist response to the Soviet letter of 22 February was avowedly tactical and temporizing in nature. While continuing to berate the Soviet Union and Khrushchev personally in private, the Peiping regime called a halt to polemics and even made a number of conciliatory gestures in public toward the Soviet Union in the spring and summer of 1962. Although several reports suggest that economic considerations prompted the Chinese to soft-pedal the Sino-Soviet dispute at this time, it is much more likely that the real reason was concern for national security at a time when hostile powers appeared to threaten Communist China on all sides.

This concern also helps to explain the ensuing "crisis of nerves" which afflicted the Chinese Communist leadership in early summer 1962. Added to the threat of serious popular disturbances at a time when the reliability of its armed forces was in doubt, there was (in Peiping's view) the even graver threat of an American-supported Chinese Nationalist invasion at a time when it was not possible to count on Soviet military assistance.

And when on top of this, there occurred in quick succession a resurgence of Indian military activity along the Tibetan frontier, a mass exodus of tens of thousands of Chinese refugees into both the USSR and Hong Kong, and an outbreak of rioting in several areas (the best known instance occurring in Canton on 1 June), it appeared that this combination of dangers posed perhaps the most serious foreign and domestic crisis which the Chinese Communist leadership had yet faced.

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It was at this juncture in late June that the United States gave assurances to Peiping through its representative in Warsaw that it would not support a Chinese Nationalist invasion of the mainland "at this time." Within China there were evident the first signs of an improvement in economic and social conditions. The mood of Communist China's top leadership appeared suddenly to change. Within a fortnight they assembled in high-level conclave to adopt a new "hard" line in domestic and foreign policy which has persisted to the present day.

The Controlled Leap: The "Great Stride Forward"

The Tenth Plenum of the CCP Eighth Central Committee convened in Peiping in late September 1962 to approve a series of decisions which have shaped the course of Chinese Communist policy development ever since. In retrospect it has become increasingly clear that the three basic policy decisions approved by the Tenth Plenum--to launch an offensive against the "modern revisionist" leadership of the Soviet Union; to organize a nation-wide "class struggle" campaign; and to initiate a new, independent program of economic development--were closely interrelated and interdependent. Moreover, there is considerable evidence that the common strategy underlying these decisions was provided by Mao Tse-tung, who once again emerged after a period of relatively little public activity to dominate the proceedings of the Tenth Plenum and to assume a much more active role in public life.

It is still difficult to find an adequate explanation for Communist China's decision in the fall of 1962, at a time of both political isolation and economic weakness, to launch an all-out struggle against the Soviet Union for leadership of the international Communist movement. That such a decision was taken at this time, however, is well documented in [REDACTED] public record.

The Peiping regime apparently decided that further retreat and accommodation in the face of Soviet pressures was both unnecessary and, given the nature of Soviet provocation, intolerable. Militarily, the threat of an

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American-supported Chinese Nationalist invasion of the mainland had passed and with it the need to conciliate Moscow in the hope of having available the Soviet nuclear shield. Economically, Communist China appeared to be emerging from the worst period of crisis and, besides, Soviet economic assistance during this critical period had been minimal. Tactically, the Chinese leadership may have concluded that it would be better to seize the initiative rather than await passively a new Soviet onslaught.

By the fall of 1962, three years of privation and ignominious retreat from the original goals of the "great leap forward" and commune programs had bred wide-spread apathy, disillusionment and dissatisfaction among all classes of Chinese society. Even more alarming, a large proportion of the party rank-and-file had begun to display the same symptoms of cynicism toward party programs. Since these developments had gravely damaged the Chinese Communist mystique of being an infallible force capable of building China into a powerful nation on the basis of Marxism-Leninism, it was imperative that a new rationale be advanced to explain past failures and silence future criticism. The new rationale, as revealed by Chairman Mao to the Tenth Plenum, was to explain failures and criticism of party policies as largely the handiwork of "foreign and domestic class enemies" against whom it was now necessary to launch a nation-wide "class struggle" campaign.

Although the "class struggle" campaign would not be initiated until the following year, there were already a number of indications in the fall of 1962 that it would be protracted and comprehensive, encompassing all classes and groups within Chinese society. As spelled out in a December Red Flag article, all elements of the population were served notice that they were liable to attack and punishment, should they persist in any one of a number of "anti-socialist" activities as defined by the regime.

By far the most important of these activities was the "spontaneous tendency to capitalism" which had developed to an alarming degree in China's countryside during the two-year period preceding the Tenth Plenum.

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With national survival at stake, the regime throughout this period had been forced to make numerous concessions to the peasantry in the interests of increasing production, concessions which had progressively expanded the area of private enterprise (cultivation of "private plots," private reclamation of wasteland, private household production and private trading on the "free market") at the expense of the collective economy. In addition to these well-publicized concessions, the regime had also been forced to permit the withdrawal of large numbers of peasants from the commune-collective system, the proportion reaching 20 percent in at least the one province of Anhwei. By a rough approximation it may be estimated that at the time of maximum retreat perhaps as much as 25 percent of agricultural production and rural trade was being carried on outside the "socialist" system. Thus, in the words of the communique, the Chinese revolution had reached a decisive turning-point in the "struggle between the socialist road and the capitalist road." As seen by the party leadership, the struggle for control over China's rural economy was a life-and-death struggle in which victory was essential to preserving the *raison d'être* of the Chinese Communist revolution.

The third basic policy decision approved by the Tenth Plenum was a new "general policy" of developing the national economy "with agriculture the foundation and industry the leading factor." It has become increasingly clear that this new "general policy" was little more than a restatement in more positive terms of the economic "readjustment" policy which had already been in effect for 18 months--i.e. an interim program designed to shore up the badly-lagging agricultural sector preparatory to a general upsurge in the national economy. The essentially political nature of this new policy line was revealed in a number of Chinese Communist articles celebrating its great significance as the latest example of Mao Tse-tung's "creative development of Marxist-Leninist theory" and as "an important development of the Marxist-Leninist theory of socialist construction." By presenting an essentially expedient policy as a new Marxist-Leninist law, the Chinese Communists were apparently attempting once again to convey a sense of purpose and direction in economic policy which would generate confidence and enthusiasm for a new production upsurge on the part of the Chinese people.

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The first half of 1963 was to be an important testing period for the basic economic policy decisions of the Tenth Plenum (1) to re-establish socialist, collective controls over the economy (especially the rural economy); (2) to generate a new upsurge in production (especially agricultural production); and (3) to draft a Third Five Year Plan which would be both dynamic (demonstrating Communist China's ability to achieve substantial progress on its own) and feasible (avoiding the excesses and mistakes of the "great leap forward" era). The compulsion to show a rapid, if somewhat more realistic, rate of progress would be well exemplified by the important East China regional party leader Ko Ching-shih in February 1963 when he would exhort the Chinese people to achieve a "great stride forward" in socialist production and construction. By mid-1963, however, it would become clear that this undertaking to force the pace had encountered serious obstacles both in the short run (a disappointing summer harvest) and in the long run (the failure of the State Planning Commission to come up with a viable Third Five Year Plan).

The crisis of confidence experienced by Communist China's leaders in the spring of 1962 had expanded by the end of the year to encompass most of the Chinese people. Confronted with wide-spread public and party apathy, the Peiping regime initiated a long-term, intensive "socialist education" campaign at the Tenth Plenum designed to restore popular confidence in party leadership and faith in the efficacy of party programs. This was all the more essential since Communist China's hopes for rapid economic development in 1963 rested primarily on its ability once again to substitute political and ideological incentives for material reward as the major stimulus in production.

The first step in the lengthy re-education process was to reassert the "greatness" and "correctness" of the Chinese Communist leadership, especially as personified by the "great contemporary Marxist-Leninist" Mao Tse-tung, who once again was depicted as a semi-divine being whose attributes included infallibility and scientific foresight. The next step in reviving popular confidence was

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a concerted effort initiated at the Tenth Plenum to demonstrate that the party's economic policies had already produced a "new situation of victory" and, "after efforts for a period of time," would usher in "a new period of great upsurge in socialist construction." It is of particular interest to note that as this campaign gained momentum in the winter of 1962-1963 it began to display, at least in agriculture, some of the characteristics of a modified "leap forward" campaign.

The mood of buoyant optimism and the image of rapid progress which Peiping wished to convey both domestically and abroad in early 1963 reached their peak on May Day. By the end of the month, however, references to an imminent upsurge in the national economy had dropped out of sight and by August 1963 the line had reverted to the less extreme optimism of the Tenth Plenum--that "a certain period of time" was required before Communist China would enter a "new period of great upsurge" in economic development.

The Tenth Plenum decision to re-establish socialist, collective controls over the rural economy was apparently based on the assumption that agricultural production had recovered to the point where it was possible once again to squeeze out the resources needed for economic growth. Since it was clear that China's peasants would resist this effort to deprive them of hard-won gains, it was necessary to generate new ideological and political pressures to overcome this resistance. This motivation, perhaps, more than any other, explains the genesis of the nation-wide "class struggle" campaign (and the allied "socialist education" and "five anti's" campaigns) initiated in the fall of 1962 and developed with increasing intensity up to the present time.

It remains to note briefly the role of Lei Feng, "the extraordinary ordinary soldier," in Communist China's "socialist education" campaign in the spring of 1963. A major objective of this campaign to study and emulate the "revolutionary spirit" and "heroic self-sacrifice" of Lei Feng was to provide an ideological and moral substitute for material incentives in stimulating production. It is in this sense that the Lei Feng campaign, indeed the

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entire "socialist education" campaign under way since the Tenth Plenum, should be viewed as a reaffirmation and re-expression of a basic and long-held tenet of Mao Tse-tung--that political indoctrination, rather than material incentive, is the key to rapid development of Communist China's backward economy.

Although the decision at the Tenth Plenum to precipitate open political warfare with the Soviet Union undoubtedly appealed to many Chinese (on nationalistic if not racial grounds), there were indications in the spring of 1963 that many others were uneasy about the break with Moscow and its long-term effect on Communist China's aspirations to become a great world power. It is now known that Khrushchev, hoping perhaps to capitalize on these feelings of doubt and apprehension, made a bid for a truce by dispatching several conciliatory letters to the CCP in the fall and winter of 1962-1963, including renewed offers of economic and technological assistance in exchange for a cessation of Chinese polemical attacks. As is also well known, the Chinese Communist response was to advance its 14 June "Proposals for a General Line for the International Communist Movement" which in effect called upon Communists everywhere to switch their allegiance from Moscow to Peiping. It was ironic that Communist China should proclaim its right to lead the international Communist movement at just the point in time when failure to come up with a viable Third Year Plan had demonstrated its inability to chart an independent course of economic development.

A new phase in Chinese Communist domestic policy was initiated in late spring 1963, when Mao issued the dictum: "Class struggle, production struggle, and scientific experiment are three great revolutionary movements in building up a powerful socialist country." Of these "three great revolutionary movements," the most important was "class struggle" conceived as the motivating force "to drive the struggle for production and scientific experiment forward." With this reassertion of the primacy of political and ideological work (the concept of "politics takes command"), the Chinese Communist leadership revealed an important truth about this allegedly

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new program for China's socialist construction--that this program resembled in important respects the original "general line for socialist construction" which Liu Shao-chi had announced in May 1958 on the eve of the "great leap forward."

It was no longer possible in 1963, however, to sustain the image of leaping progress which Liu had expressed in 1958 in the slogan: "hard work for a few years, happiness for a thousand."

The Peiping regime apparently decided by mid-1963 that stronger measures were required to secure compliance with its policies. One of these was intensification of "class struggle" against "class enemies" who were "trying to usurp leadership" over basic level organizations in the countryside. In view of the harsh guidelines for intensifying the "class struggle" and of refugee reports indicating greater resort to violence in the countryside, this new campaign directed at China's more productive peasants may very well have adverse effects on Communist China's agricultural production.

The best evidence that "class struggle" had entered a new stage of severity was the appearance of the "five anti's" campaign in mid-1963. Whereas "socialist education" relied primarily on indoctrination, the appearance of a new "anti's" campaign signified a shift from ideological to political struggle, from persuasion to coercion. Indicating the long-term nature of this campaign, a series of clandestine reports in late 1963 depicted it as developing at three levels (central, provincial and county) in successive stages extending to mid-1966. According to these reports, the primary goal of this campaign is to stamp out tendencies toward "modern revisionism" which have cropped up within the CCP, with "modern revisionism" defined to include both "pro-Soviet" and "capitalist" inclinations.

In contrast with this increasingly assertive political line, however, there were signs of confusion and uncertainty in Peiping's economic policy in the latter half of 1963. In contrast with the self-assured and optimistic

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tone of pronouncements earlier in the year, the tone of policy statements at the National Day celebrations on 1 October and the National People's Congress session in late November was sober (if not somber) and clearly defensive in justifying China's policy of "national self-reliance." As further evidence of uncertainty, an article in the 25 January 1964 People's Daily contained the explicit admission that Communist China was searching for new solutions to "several new problems without ready-made answers which have arisen in our socialist construction."

A crucial question in assessing the future course of domestic policy in Communist China is the extent to which Mao Tse-tung and his lieutenants have learned the lessons of failure of their "leap forward" approach to economic development. Based on the findings of this paper, the answer to this question must be an equivocal "both yes and no." On the one hand, there is an increasing body of evidence that Mao Tse-tung and the dominant leaders of the CCP still cling to the basic theories underlying the "leap forward" strategy of economic development. On the other hand, there is abundant evidence that the Chinese Communist leadership, well aware of serious errors in past efforts to translate these theories into practice, is attempting to apply them now with more realism and practicality. As a result of the conflict between these persistent theories of "leap forward" development and these memories of recent failure, there has been an ambivalent, [redacted] quality about recent Chinese Communist pronouncements in the field of economic policy.

Recent indications that the Peiping regime is engaged in a fairly protracted gearing-up process, preparatory to launching a new "leap forward"-like advance in 1966, help to explain this ambivalence in current Chinese Communist policy discussion. While intensifying political activity and strengthening its political control structure, the Peiping regime, mindful of its "great leap forward" failures, at the same time is advocating caution and restraint and appears reluctant to make any radical changes in its present ad hoc pattern of economic and

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Social controls until solutions are found to "the many new problems" which have arisen in China's socialist construction.

Whatever these solutions may turn out to be, there is good reason to believe that they will be shaped primarily by political and ideological factors rather than by considerations of economic rationality. Thus judgment is based in part on the fact that during the course of the past 18 months the Peiping regime has not only not adopted the policies which appear best suited for Communist China's economic development but has appeared increasingly to oppose them.

As this paper has attempted to demonstrate, the character, conceptions and patterns of thought of Mao Tse-tung also support this view concerning Communist China's future development policy. Although the record shows that Mao can be flexible when danger threatens, it shows even more clearly a proclivity for simplified political and organizational solutions (the most recent being the establishment in all departments of the national economy of a political commissar system modeled after the People's Liberation Army) to complex problems of economic development.

Another basic source of the persistent strain [redacted] in Chinese Communist development policy is the fundamental contradiction between Peiping's grandiose ambition to rapidly become a great world power and the paucity of means at its disposal. It is this fundamental incompatibility between ends and means which seems to compel the Chinese Communist leadership to experiment with radical innovations in a continuing search for a shortcut to industrialization and great power status. Although Mao Tse-tung and the dominant leaders of the Chinese Communist party have undoubtedly learned some lessons from the excesses and more flagrant mistakes committed during the "great leap forward" era, they do not appear to have learned the most important lesson of all--that the "leap

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"forward" strategy itself is incapable of solving Communist China's staggering problems of economic development.

For all of these reasons--Peiping's course in the past 18 months, Mao's abiding characteristics, and the basic incompatibility of ends and means--we think that it can be predicted with some assurance, at least while Mao continues as China's leader, that there will be yet another attempt to incite an "all-out advance" in economic development in the future, possibly as soon as 1966.

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I. BACKGROUND TO THE "LEAP FORWARD" (1949-1955)

On every kind of problem--the nation, the peasants, strategy, the construction of the party, literature and culture, military affairs, finance and economy, methods of work, philosophy--Mao Tse-tung has not only applied Marxism to new conditions but has given it a new development. He has created a Chinese or Asiatic form of Marxism.

--Liu Shao-chi to Anna Louise Strong,
1946

A serious task of economic construction awaits us. We shall soon lay aside some of the things that we know well and shall be compelled to take up things that we do not. This means difficulties. The imperialists count upon our inability to tackle economic problems. They stand by watching for our fiasco.

--Mao Tse-tung, "On the People's Democratic Dictatorship," 1949

Thanks to the...leadership of the Chinese Communist Party and the help of the proletariat in other countries, primarily the help of the Soviet Union, economic construction in China will be carried on not slowly, but probably at considerable speed. We can already count the days when China will attain prosperity.-

--CCP Central Committee Resolution,
1949

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As the above quotations suggest, there have been ambiguous and contradictory elements in Communist China's approach to economic development from the very outset. On the one hand, there has been an awareness of inexperience and lack of expertise in undertaking this new task and of the consequent need to rely on Soviet advice and assistance. On the other hand, the intensely national and racial component of Chinese Communism, strikingly revealed in the characterization of Mao Tse-tung as the creator of an "Asiatic form of Marxism," has served (together with an awareness of China's power potential) to dissuade Soviet leaders beginning with Stalin from supplying the very economic, scientific and technical and military assistance essential to China's modernization. Given this explosive blend of Chinese chauvinism and Marxism-Leninism and its by-product of Soviet obstructionism and niggardly support, it was perhaps inevitable that Mao in time would repudiate the Soviet model of economic development and seek his own solutions to the staggering problems of developing China's backward economy.

A. Stalin's Obstructionism

It is one of the ironies of history that the Chinese Communists, who have suffered grievously at the hands of Stalin, are now the staunchest defenders of Stalin's good name within the international Communist movement. The first and best known instance of Stalin's pernicious influence was his China policy of 1927 which, in directing the merger and subordination of the CCP to the Kuomintang, resulted in nearly strangling the Chinese Communist movement in its infancy. Also well documented was Stalin's decision after World War II not to support the Chinese Communists, advocating once more a merger with the Chinese Nationalists from whom he proceeded to wrest territorial and commercial concessions. As a corollary to this decision, Stalin then ordered the stripping of China's industrial base in Manchuria of some two billion dollars of industrial plant and equipment, either destroyed on the spot or carried off in the form of war booty. The legacy of Chinese Communist

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bitterness occasioned by Stalin's despoiling of Manchuria has appeared in recent statements of high-ranking Chinese leaders who, at least retroactively, regard these actions as part of a long-standing Soviet effort to prevent China from becoming a great power.

The conflict of Chinese and Russian national and revolutionary interests entered a new stage when the Chinese Communists assumed power in 1949 in a mood of supreme self-confidence and assertiveness. Almost immediately after the establishment of the Chinese People's Republic, Liu Shao-chi staked a claim to leadership over the national liberation movement in Asia by proclaiming (before a conference of Asian and Australian Trade Unions in Peiping) the "road of Mao Tse-tung" as the revolutionary model for other Asian Communists to follow. It is now known from the bitter exchanges of the inter-party letters of 1960 that this effort to establish "the theory of Mao Tse-tung" (already enshrined in the CCP Constitution of 1945 as co-equal with Marxism-Leninism) as the fountainhead of Asian revolutionary doctrine was undertaken without any advance notification or consultation with Moscow. Chairman Mao was to reap the harvest of this early example of "sectarianism" in the international Communist movement when he traveled to Moscow the following month for his first face to face meeting with Stalin.

Despite surface manifestations of harmony and despite the undoubtedly economic and military benefits accruing to the Chinese from the agreements signed in February 1950, there is evidence today that Peiping resented the niggardly character of Soviet assistance tendered during this and subsequent negotiations in the period from 1950 to 1955. Keeping in mind that the total amount of Soviet economic credits to China (extended in 1950) was only \$300 million and that Moscow would demand nearly three times this amount in repayment for military assistance during the Korean War, there is considerable justification in the Chinese Communist charge (assiduously promoted in recent years in anti-Soviet propaganda campaigns within China) that the Soviets exploited Chinese weakness during the early years of the Chinese People's Republic. According to recent reports, the Chinese Communists consider

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that Stalin himself was the prime offender, charged in these reports with offering only token aid out of distrust of the national ambitions of China's leaders.

B. Mao Tse-tung's Optimism

Mao Tse-tung's call in 1949 for an upsurge in the national liberation struggle externally was paralleled by an equally optimistic (and unrealistic) assessment of Communist China's potential for rapid economic and social development internally. In a statement reminiscent of his earlier "paper tiger" image of American atomic weapons, Mao expressed his strategic contempt for China's population problem in September 1949 as follows:

It is a very good thing that China has a big population. Even if China's population multiplies many times...she is fully capable of finding a solution; the solution is production....Under the leadership of the Communist party...every kind of miracle can be performed. We believe that revolution can change everything and that before long there will arise a new China with a big population and a great wealth of products.

And in June 1950 in addressing a central committee plenum, Mao advanced a call for "three years of preparation" and "for ten years of construction to build our country into a modern socialist state."* As an early expression of Mao's revolutionary optimism and propensity to advance unrealistic economic goals, the above statements constitute a significant precursor of the "leap forward."

*This bold prediction implying the completion of socialist construction in China by 1962 would not be revealed publicly until August 1958 in an article by Tan Chen-lin.

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During the "three years of preparation" of 1950-1952, Peiping registered notable successes in consolidating its administrative controls and restoring agricultural and industrial output to pre-war levels. The quick gains achieved during this period of economic rehabilitation, however, were followed by a series of setbacks and disappointments. First was an abortive attempt in early 1953 to organize agricultural cooperatives on a large scale, setting off an intense and extended intra-party debate on the proper tempo of collectivization. Next protracted negotiations with Moscow revealed that additional Soviet assistance to China's industrialization program would be limited and costly and that returns from many key-point projects would not be realized until after a considerable lapse of time. This was followed shortly by the alarming results of the 1953 census which showed China's population to be roughly 100 million in excess of earlier estimates, as well as an unexpectedly high annual growth rate of two percent. In early 1954 the Chinese Communist leadership was confronted with the first serious challenge to party unity at the top when Kao Kang and Jao Shu-shih (both politburo members) allegedly sought support within the army in a bid to achieve positions of power subordinate only to Mao.* Finally and perhaps most distressing of all was the absolute decline in grain production during 1953 and 1954, coinciding with a growing awareness of the magnitude of China's population problem.

C. The First Five Year Plan

Reflecting these somber developments, Communist China's First Five Year Plan (1953-1957) was delayed in preparation and not released till July 1955. In contrast



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with Mao's earlier prediction, industrialization and socialization of the economy were now pictured as "a Herculean task requiring a comparatively long time"--that is, three five year plans for basic achievement and 40 to 50 years to attain the status of a highly industrialized great power. Dedicated to the priority development of heavy industry, the plan stressed that China's industrialization program was "modeled on Soviet experience" and impossible to achieve without "the assistance of the Soviet Union" and "the help of Soviet experts." Indeed, in view of Peiping's admission of "lack of experience in drawing up long term plans," it is likely that Soviet experts were largely responsible for drafting this first blueprint for Communist China's economic development.

Adhering to the principles of "gradualism" and "voluntariness," the plan set forth the modest goal of one-third of China's peasants to be organized in lower-level, semi-socialist cooperatives by 1957. This policy of gradual socialization was designed, as previous Chinese spokesmen had intimated, to avoid the turmoil and disruption resulting from Stalin's sudden collectivization of Soviet agriculture in the 1930's. Moreover, the plan indicated that full-scale collectivization would have to wait upon the attainment of agricultural mechanization, with 1967 specified as the year for achieving "in the main" a "collectivized and mechanized socialist agriculture."

In short, Communist China appeared ready to undertake a program of economic and social development based largely on Soviet experience. As the plan stipulated, "The road already traveled by the Soviet Union is the road we must follow today." Within a matter of weeks, however, Chairman Mao would rise before a conference of provincial party secretaries on 31 July 1955 to countermand this directive and point imperiously to another road. And though there was uncertainty, both then and later, as to the ultimate destination of this road, it was clear from the outset that it would be a distinctively Chinese road along which Mao and his principal lieutenants intended to travel at "leap forward" speed.

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II. THE FIRST "LEAP" AND RETREAT (JULY 1955-SEPTEMBER 1957)

What we should not do is to allow some of our comrades to cover up their dilatoriness by quoting the experience of the Soviet Union.

--Mao Tse-tung, "The Question of Agricultural Cooperation," July 1955

In mid-1955 Mao Tse-tung emerged after a period of relatively little public activity to initiate a "leap forward" in the socialization and construction of China's economy.* Earlier predictions that Communist China would develop its economy "at considerable speed" with the help of the Soviet Union had not been borne out. Soviet credits, small to begin with, were nearly exhausted. More alarming, grain production for three years running had not kept pace with the rate of population growth. Dissatisfied with the old methods (the Soviet model), the Chinese Communist leadership apparently decided at this time to devise a new approach to the special problems of China's economic development.

*It should be noted that this first attempt to force the pace of economic development was not characterized as a "leap forward" at the time. In May 1958, Liu Shao-chi would refer retroactively to "the leap forward in 1956."

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As outlined by Chairman Mao in a series of speeches and articles throughout the latter half of 1955 and early 1956, this new approach was essentially an attempt to apply the "mass line," which had proved so successful in the political and military struggles of the revolution, to the infinitely more complicated process of socialist construction. Faith in the power of ideas (Marxism-Leninism and Mao's ideology) to guide and motivate, in the efficacy of political work (the party as organizer and propagandizer), and in the "unlimited creative power" of the masses (principally their labor power)--these were the main ingredients of the "leap forward" approach to economic construction introduced by Chairman Mao in tentative and incomplete form at this time.

With these general observations, it is time to examine Peiping's first attempt to force the pace of economic development, the first of a series of cyclical advances and retreats which have characterized Communist China's domestic policy from that time to the present day.

A. The "Upsurge" in Socialization and Construction
(July 1955-July 1956)

The masses of the people possess unlimited creative power. They can be organized for a march...on the length and breadth of the production domain....Political work is the lifeline of all economic work.

--Mao Tse-tung, "Preface and Notes on the Socialist Upsurge in China's Countryside," December 1955

It is necessary to put into effect consistently the principle of personal material incentives for workers, remembering that application of this principle is a most important requirement

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for steady growth in production.

--Khrushchev, "Report to the Twentieth Party Congress," February 1956

1. The "Upsurge" in Socialization

As is well known, Mao Tse-tung's call in mid-1955 for an "upsurge" in the socialization of China's agriculture resulted in drastically foreshortening the original timetable from three five year plans (1953-1967) to a little over one year. Less well known, however, are the circumstances surrounding this momentous decision and the rationale advanced to justify it.

It is a revealing commentary on Mao's personality and work style that he apparently decided at this time on his own authority to settle the "great debate" on cooperativization which had raged within the CCP for several years. By-passing the central committee and its Rural Work Department (headed by a known advocate of "gradualism" in socialization), he issued his hurry-up call in a 31 July speech entitled "The Question of Agricultural Cooperation" delivered at a meeting of provincial party secretaries.* Further suggesting the existence of high-level opposition within the party, Mao launched a polemical attack against "rightists" and "right opportunists" who sought "to cover up their dilatoriness by quoting the experience of the Soviet Union," the first of a series of such charges against moderate elements within the Chinese party which would recur with increasing intensity in the years to come.

*As Soviet propagandists have recently stressed in their indictment of Mao's "personality cult," the Chinese leader would also by-pass the central committee when developing the "great leap forward" and commune programs in the spring of 1958.

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Mao's rationale for stepping up socialization at this time is of fundamental importance for understanding the subsequent evolution of domestic policy in Communist China. For the first time, China's special conditions (a huge population, shortage of cultivated land, recurring natural calamities, and backward methods of farming) were advanced to justify a distinctive Chinese approach to agricultural development. As Mao saw it, two important conclusions flowed from this enumeration of adverse conditions in China's rural areas. The first was his assertion that the very poverty of China's peasants made them "eager to take the socialist road." This idealized conception of China's peasants as endowed with special revolutionary qualities (a highly developed "socialist consciousness") goes far to explain the radical nature of subsequent Chinese rural development programs culminating in the people's commune.

The second conclusion was that "under the conditions prevailing in our country, agricultural cooperativization must precede the use of big machinery." On this point, Mao's plan of agricultural organization deviated sharply from the Soviet model which holds that collectivization and mechanization of agriculture must proceed hand in hand. Central to this new approach was Mao's view that manpower properly organized and motivated (in the lower and higher level cooperatives and subsequently in the communes) could be substituted for tractors and other machinery in a program of rapid agricultural development.

There was evidence, moreover, of a conscious intent to create a new model of agricultural development for the underdeveloped countries of Asia, Africa and Latin America. Mao's cryptic statement that his program had "a very great world significance" was spelled out in ensuing editorial comment that "billions of peasants all over the world" would follow this 'most brilliant example for taking the road to socialism."

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2. The "Upsurge" in Construction

Elated by the successful speed-up of collectivization, Chairman Mao called in December 1955 for a parallel "upsurge" in economic development. Basing his call on an almost mystical belief in the "unlimited creative power" of the masses, the Chinese leader in a series of speeches and articles in the winter of 1955-1956 set forth some of the main features of China's "general line for socialist construction" (which would not appear until May 1958), including the principle that "political work is the life-line of all economic work" and the slogan "building socialism by achieving greater, faster, better and more economic results." It was at this time that Mao introduced China's Draft Twelve Year Program for Agriculture, containing the ambitious and inspiring targets of doubling food production, eliminating illiteracy, mechanizing agriculture and generally transforming backward economic and cultural conditions in the countryside. A companion Twelve Year Plan for Science and Technology called for achieving advanced world levels in scientific research by 1967. And in order to fulfill Mao's prediction of a tremendous expansion of production following agricultural collectivization, a massive investment and construction program was carried out in the countryside which would subsequently be described as Communist China's first "leap forward" in economic development.

The first step in this first "leap forward" effort was a program of irrigation and water conservancy construction carried out on an unprecedented scale in the winter of 1955-1956. This was followed by a mass movement in the countryside in the first half of 1956 which in many respects was the prototype of the frenetic campaign which would characterize the "leap forward" in agriculture in the spring of 1958. It was a movement based on propagandizing the Draft Twelve Year Program which swept the great majority of peasants into advanced agricultural cooperatives ranging in size from 10 to 30 times larger than the lower stage, semisocialist cooperative of the preceding year. To accomplish this revolutionary transformation of rural society, the cadres held

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forth to the peasants the glowing prospect of fulfillment of the Twelve Year Program far ahead of schedule, of the rapid mechanization and electrification of agriculture, of substantial increases in agricultural production, and of a significant increase in the remuneration and consumption of the new collective farm members. In addition, nearly two million modern farm plows were manufactured and rushed to rural areas in the first half of the year as a major start toward the goal of mechanizing agriculture.*

Following the appearance of these inspiring slogans and ambitious targets, Chairman Mao delivered a secret report to the politburo in April 1956 entitled "Ten Basic Relationships." Believed to contain some of the basic principles underlying China's new approach to socialist construction, this report is also an important source for understanding Mao's economic thought. As such, an attempt will be made to reconstruct its contents on the basis of ensuing discussion in Chinese Communist publications.

As later revealed by Liu Shao-chi, "the general idea of this report was to mobilize all positive factors and available forces for building China into a modern, prosperous and mighty socialist state in the shortest possible time." The method employed was to identify ten basic "contradictions" (relationships) in the economic and political life of the country and advance certain general guidelines for resolving these contradictions. Just as Mao (in an article attributed to the politburo appearing that same month) had attempted to explain away

*It was soon discovered that these plows were unsuited to the terrain and methods of cultivation in many areas, with the result that nearly half of them could not be used. As will be noted in succeeding chapters, this would be merely the first in a series of ill-fated experiments in search of a "short-cut" to agricultural mechanization.

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Stalin's errors as merely another example of "contradictions" in a socialist society, so he was now attempting to apply the "science" of Marxist-Leninist dialectics to problems of economic development within his own country. This faith (or professed faith) in the existence and efficacy of the "dialectical law of the development of things" (if only properly interpreted) is an important aspect of all of Mao's doctrinal writings, including his pronouncements on political economy.

The trick of course was to understand the inner workings of this law and apply it in accordance with China's special conditions. This Mao sought to do in his April report by setting forth a number of vague and somewhat contradictory proposals designed to build socialism in China with "greater, faster, better and more economical results" (in itself a dialectical or self-contradictory formulation). These proposals apparently included the following: (1) to assign greater emphasis to agriculture and light industry which in turn would promote the development of heavy industry; (2) to construct more small and medium industrial enterprises and exploit more fully existing industry; (3) to allocate more funds to economic construction by reducing non-productive expenditure; (4) to work out an appropriate accumulation-consumption ratio which would permit a slight increase in worker-peasant income and a much larger increase in investment (Mao apparently believed that the production "upsurge" in 1956 would be sufficient for both); (5) to decentralize authority over economic planning and construction and thus "unleash creative energies" at the local level; (6) to enlist the cooperation and support of all classes and groups within the country to engage in an accelerated construction program by improving relations between the party and the people, "rectifying" the work style of party and government cadres, and adopting a more "liberal" policy towards China's intellectuals*; and (7) finally, although the evidence is less

*Mao was to initiate his ill-fated "100 flowers" experiment immediately following this report.

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certain here, to press ahead with the construction of a largely self-sufficient national economy.

3. De-Stalinization: The Chinese Response

It is instructive at this point to compare this program with that advanced by Mao's future antagonist Khrushchev at the 20th Congress of the Communist party of the Soviet Union held two months earlier. Of first importance was the contrast between Mao's emphasis on ideological and political work as the key to economic development ("political work is the lifeline of all economic work") and Khrushchev's de-emphasis of theory in favor of "practical work," "applied economics," and "material incentives." Like Stalin before him, Mao was about to undertake a forced-draft program of industrializing a backward agrarian economy in which personal incentives and material well-being were considered to be of relatively little consequence. In the April 1956 and subsequent defenses of Stalin, Peiping has always paid high tribute to his correct policies "on the industrialization of the Soviet state and the collectivization of agriculture." As exponents of Stalin's methods of forced economic development, it appeared that the dominant Chinese leaders were skeptical of Khrushchev's "economism" from the beginning.

More speculatively, there is reason to believe that Mao also opposed the degree of bloc economic integration advocated by Khrushchev at the 20th Party Congress. Since the Peiping regime would counterpose the concept of a "self-reliant and comprehensive industrial system" for China shortly thereafter (at their Eighth Party Congress in September), it is a fair inference that Mao advanced this principle as an aspect of the tenth contradiction, "international relations," in his April report. In retrospect, it appears that major issues in the Sino-Soviet dispute over economic policy and economic relations had already emerged by the spring of 1956.

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One final observation on the initial Sino-Soviet dialogue on de-Stalinization deserves mention at this point--the highly defensive and detailed rationale advanced by the Chinese Communists to prove that Stalin's errors connected with the "cult of personality" could not possibly develop within the Chinese party. As a substitute for Stalin's crude and terroristic methods, Mao's formula "unity-criticism-unity" ("thought reform" or more popularly "brain-washing") was proffered to other bloc parties in the spring of 1956 as the correct method for dealing with erring comrades. This in turn would place a premium on maintaining a facade of unity when heated disputes over domestic policy and the Sino-Soviet relationship would rend the Chinese Communist leadership in subsequent years. Constrained by the need to uphold this pose of leniency (and perhaps by inclination as well), Mao has eliminated his opponents since 1956 by a kind of "silent" purge in which the offenders either disappear completely or, stripped of real power, are permitted rare public appearances on ceremonial occasions.

With the major themes of the Sino-Soviet dispute over economic policy identified and an important ground rule for handling intra-party disputes established, it is time to examine the accomplishments and aftermath of Communist China's first "leap forward" in economic development.

B. Reappraisal, Readjustment and Retrenchment
(August 1956 - September 1957)

In the beginning of 1956...there appeared the tendency to do everything at once and do it everywhere, taking no account of actual conditions, and recklessly running ahead.

--Chou En-lai, September 1956

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However, some comrades at the time magnified these defects and underestimated the great achievements attained and hence regarded the leap forward in 1956 as a 'reckless advance'.

--Liu Shao-chi, May 1958

The events of the year extending from the fall of 1956 to the fall of 1957 constitute an important, if somewhat obscure, chapter in the history of Chinese Communist domestic policy. It was a period of extensive retreat on the economic front in which Chinese policy pronouncements appeared to reflect Soviet views on economic development. It was also a period when, as suggested by the above quotations, clear differences over domestic development policy emerged among the Chinese Communist leadership. As a final introductory comment, it should be noted that a number of the pragmatic measures introduced in the years 1960-1962 to cope with the collapse of the "great leap forward" would be based on precedents in this earlier period when moderate policies prevailed.

The second half of 1956 was a time of disillusion and alarm for the Peiping regime. Disillusion over the failure (particularly in agriculture) of the first "leap forward" in economic development and alarm over the repercussions of de-Stalinization within the Communist bloc. Reacting to the domestic setback, Mao sanctioned (perhaps reluctantly) retreat and retrenchment in economic policy within China. Reacting to the disarray within the bloc, Mao advanced his novel doctrine of "non-antagonistic contradictions" within and between socialist countries to explain (and, incidentally, aggravate) the disruptive effects of de-Stalinization in Eastern Europe. Emerging as the temporary champion of "liberalization" in intra-bloc relations, the Peiping regime challenged Moscow's leadership over other bloc countries--a bold move which apparently would cause the Soviets by the end of the year to threaten withdrawal of their economic and technical experts from China.

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1. Retreat at the Eighth Party Congress

The signal to pause and regroup forces on the economic construction front was sounded at the Eighth Party Congress in September 1956. In contrast with the ebullience and confidence which had characterized Mao's speeches earlier in the year, the tone of the reports at this congress was one of caution and indecision. For the first time, "leftist" adventurism (coupled with "rightist conservatism") was identified as a deviation to avoid in socialist construction. As the result of failure to take into account objective conditions, the limitations of resources and the need to maintain adequate reserves, there had been a tendency to "set too rapid a pace." This tendency was formally recognized at a November plenum of the central committee when a policy of "suitable retrenchment" was adopted.

The basic cause of economic retrenchment in late 1956 was the poor showing in agriculture. Despite Chairman Mao's confident assertion that agricultural collectivization would result in an "immense nation-wide expansion of production," claimed output of food crops rose only 4 percent over the previous year and state grain collections actually fell below the level of 1955. Although the "leap forward" had registered impressive gains in both industrial production and capital construction, the implications of this shortfall for the future development of what was an essentially agrarian economy were grave. It was a time for reappraisal of fundamental policies, a process in which Soviet views on economic development seemed to coincide with those of a moderate grouping of government administrators and economic specialists among the Chinese leadership to whom Mao Tse-tung appeared to turn for advice in restoring order and balance to China's disorganized economy. As the most prominent member of this moderate grouping, Premier Chou En-lai set forth a number of these views in his September congress

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report on the draft proposals for Communist China's Second Five Year Plan (1958-1962).*

First, after criticizing "the tendency to do everything at once and do it everywhere and, taking no account of actual conditions, recklessly running ahead," the Chinese premier stressed the need for "realistic targets," "balanced development," and "overall arrangements" in planning work. Since there is evidence that Moscow had pressed for reduction of the industrial goals originally proposed for the Second Five Year Plan, Chou's remarks also reflected Soviet concern for greater realism in China's economic planning.

Next, Chou appeared to endorse Khrushchev's favorite prescription for stimulating economic growth--reliance on material incentives to elicit higher levels of labor productivity and output. This was evident in his advocacy of a proportional increase in light industry investment to provide more consumer goods during the plan period.** It was also evident in his admonition against setting "too high" a rate of investment, thereby ignoring legitimate popular demands for improvement in the standard of living. It was particularly evident in a series of measures advanced by Chou (and subsequently elaborated by Chen Yun) to provide a badly needed stimulus to agricultural production. Resembling in some respects

*In addition to Chou (third ranking member of the politburo), the principal members of this group appeared to be Chen Yun (fifth ranking member of the politburo, senior economic specialist and senior vice-premier) and three lesser politburo members--Li Fu-chun (Chairman of the State Planning Commission), Li Hsien-nien (Minister of Finance) and Po I-po (Chairman of the Economic Planning Commission).

**In a revealing shift in emphasis, Liu Shao-chi in his congress speech not only did not call for a proportional increase in light industry investment but warned that lowering the rate of development of heavy industry would be "wrong."

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Khrushchev's 1953 agricultural development program, these measures were designed to provide China's peasants with greater material incentives, including enlargement of their "private plots," increases in state procurement prices for agricultural products, the return of hogs to private care, and the inauguration of a so-called "free market" in which the peasant could sell secondary farm produce.

Less clear was the view expressed by Chou in this report on the relative advantage of constructing large, modern industrial enterprises as opposed to small and medium sized plants. The Chinese premier adopted a neutral position in this controversy (both within the CCP and between the Chinese and their Soviet advisers) which, when ultimately resolved in favor of the small plant program, would lead to the excesses of the "native" iron and steel production campaign in the "great leap forward" of 1958.

One point in Chou's report which presumably did not meet with Soviet approval was the announcement for the first time that Communist China intended to construct a "self-reliant and comprehensive industrial system." Coming so soon after Khrushchev's advocacy of the concept of bloc economic integration at the 20th Soviet Congress, this formulation suggested a declaration of economic independence with far-reaching implications for the future course of Sino-Soviet relations.

2. The First Soviet Threat

Indeed, there were already signs in the fall of 1956 of mounting friction in the relations between Communist China and the USSR. First, [redacted]

[redacted] there were indications that Khrushchev had become incensed by Mao's pretensions to leadership of the underdeveloped areas of the world. Chinese Communist claims that their distinctive programs of socializing agriculture and capitalist industry and commerce constituted "models" for the underdeveloped countries were countered publicly in two

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ways. First, Soviet delegate Mikoyan emphasized in his speech to the CCP's Eighth Party Congress that Lenin had conceived of both of these programs, thus undercutting the Chinese claim to originality. The second method was to make unmistakably sarcastic (at least, in retrospect) references to the "humility" of Communist China's leadership. For example, a 23 November *Pravda* editorial cited "the wisdom of the leadership of the CCP" for "always saying that they do not pretend to the universal recognition of their methods" and Khrushchev in a 29 November speech lauded his "Chinese comrades" for "not becoming conceited" about their accomplishments but rather "displaying exceptional modesty."

Of more immediate concern to Moscow was Communist China's intervention at this time in Eastern Europe, encouraging early Polish and Hungarian demands for greater independence and assigning much of the blame for disturbances there to Russian "great power chauvinism." Even after changing course to support Soviet military intervention in Hungary, the statement of the Chinese position (in a long politburo article of 29 December) was doubly offensive (1) in purporting to provide the Marxist-Leninist theoretical explanation for Soviet bungling in East Europe, and (2) in warning other bloc countries against mechanical copying of Soviet experience (the more so in view of the many "mistakes and failures" in that experience).

The cumulative effect of Chinese declarations of economic independence, political independence (encouraging others as well), and doctrinal independence was apparently too much for Khrushchev to tolerate. For it was at this point in time that the Soviets threatened for the first time to withdraw their experts and technicians from Communist China.

The circumstances surrounding this first crisis in Sino-Soviet relations are somewhat obscure. One account indicates that the CPSU made a general request for withdrawal of technicians from all socialist countries (on the pretext that local technicians were trained) which was not agreeable to Peiping. On the other hand, the

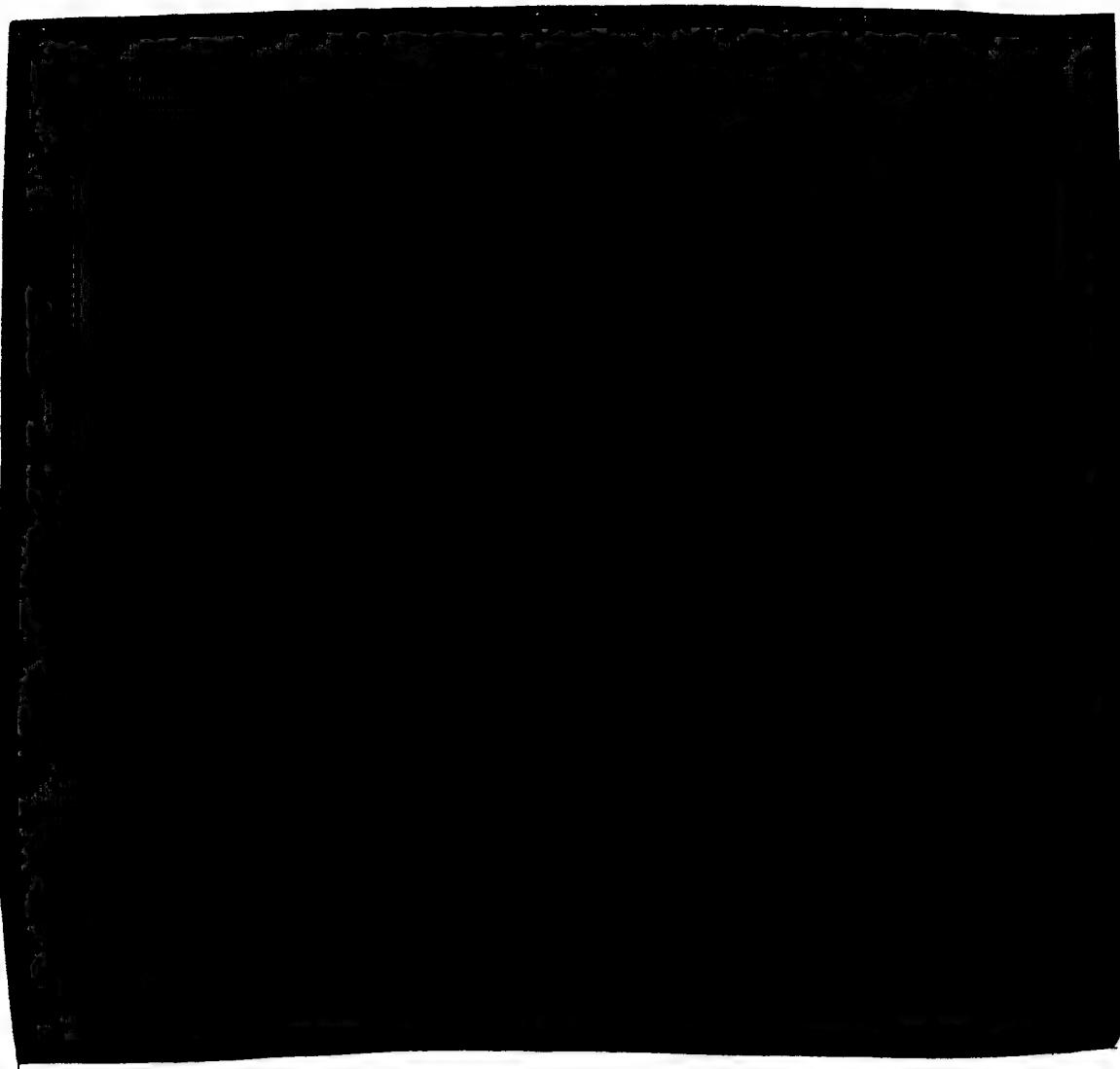
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Chinese version describes this incident as a jurisdictional dispute (apparently involving the status and authority of Soviet experts in China) which was resolved by changing the term "advisers" to "technical experts." In either case, the threat of Soviet withdrawal appeared to have a sobering, if temporary, effect on Mao Tse-tung during the first half of 1957.



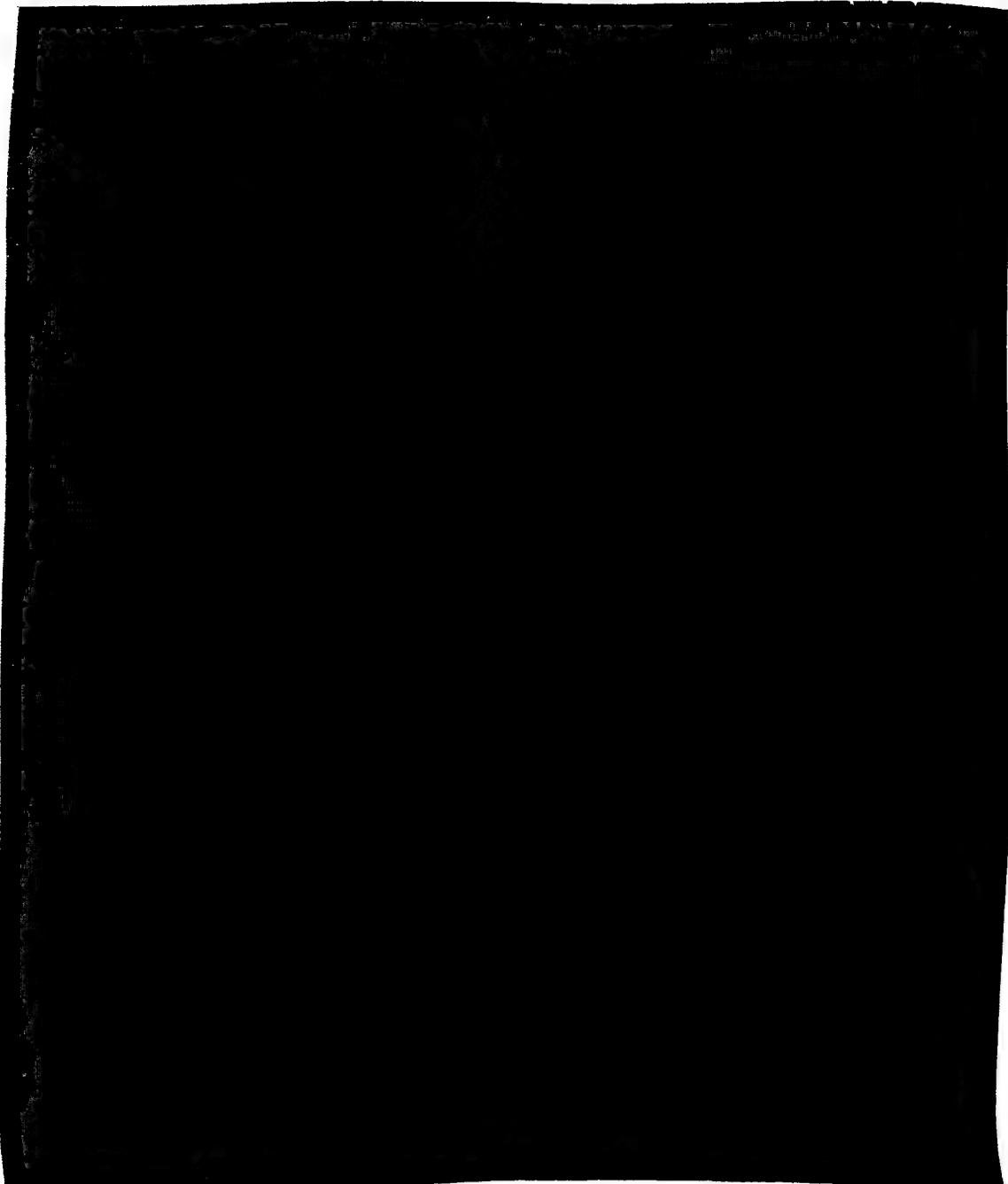
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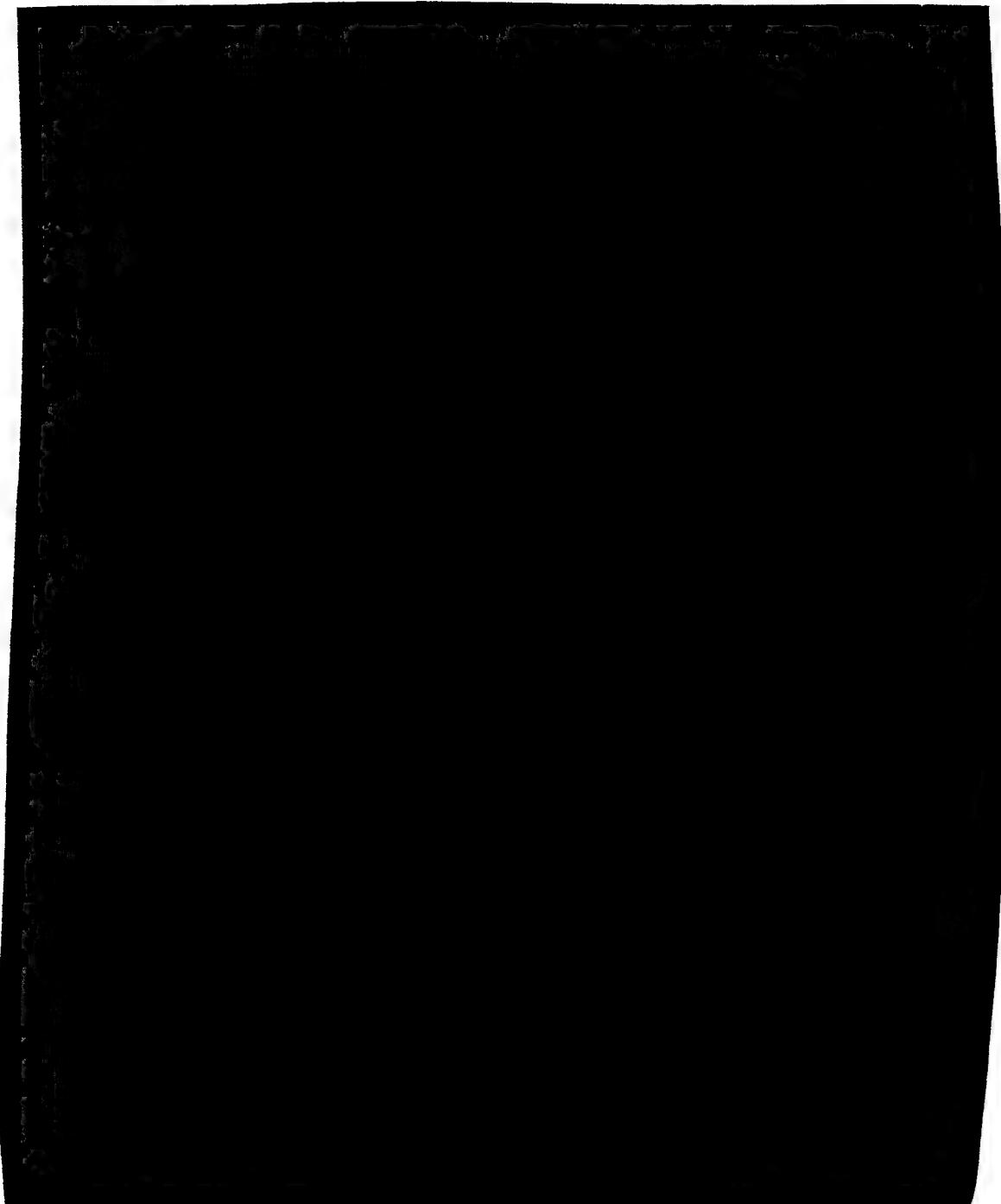
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Two events in mid-1957

The first was the enthusiastic response of China's intellectuals to his call for criticism of the Chinese Communist party and government. Although the content of this damaging "rightist attack" falls outside the scope of this paper, it should be noted that it included Mao Tse-tung himself who was accused (quite accurately) of "being impetuous in making decisions without making a careful study of the facts." It was a fitting climax to Mao's disastrous experiment with "liberalization."

Secondly, despite Chairman Mao's directive to upgrade the importance of agriculture, the rural economy continued to deteriorate. A basic difficulty was that peasant consumption and living standards had not risen as promised following collectivization. There were other reasons why, as conceded in the published version of Mao's speech in June, "some people have whipped up a miniature typhoon around what they call the cooperatives having no superior qualities." The larger scale of operation and the increased demands for accurate accounting and bookkeeping exceeded the abilities of rural cadres, which in turn bred suspicion and jealousies between villages in the enlarged cooperatives. The upshot was wholesale dissolution of the large agricultural collectives

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expressed in dramatic form in a September central committee directive to reduce by two-thirds the size of collective farms to a suggested optimum of one hundred households.*

The headlong retreat on the agricultural front in mid-1957 not only called into question the viability of Peiping's Twelve Year Agricultural Program but also cast serious doubt on Communist China's prospects for industrialization. The period in which Mao Tse-tung appeared to rely on the advice of a moderate grouping of "administrator-economists" in the Chinese Communist leadership was almost at an end. In September-October 1957, the central committee of the CCP would meet in plenary session to adopt a "hard" revolutionary line in both domestic and foreign policy. It is to an appraisal of this sharp turn to the left in economic policy culminating in the "great leap forward" that we must now turn.

*This directive, believed to represent the moderate views of the head of the party's Rural Work Department Teng Tzu-hui, is of more than passing interest today. Many of the reforms and concessions introduced in the commune system in 1961 would be based on this directive. Furthermore, the party pledge in late 1960 not to tamper with the revamped communes for a period of at least five years should be viewed in the light of a similar pledge in this 1957 directive--that China's rural cooperatives would be kept small in size (100 households) for a period of ten years.

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III. THE "GREAT LEAP FORWARD" AND GREAT RETREAT (October 1957-August 1959)

Our cause is the revolutionary cause and what we most need is revolutionary optimism which in strategy belittles all 'powerful' foes and belittles all 'serious' difficulties and hardships--though in tactics we must attach importance to them and overcome them one by one.

--People's Daily Editorial, 1 January 1958

Liberation of the productive force of the laboring people will have the same effect as smashing the atom.

--Mao Tse-tung, May 1958

Dissatisfied with the results of moderate economic policies and shocked by the outcome of "liberal" political policies, Mao Tse-tung initiated a series of radical policy decisions in the winter and spring of 1957-1958 which would culminate in the "great leap forward" and a serious crisis in Sino-Soviet relations. Moreover, the radical perspectives and programs which began to emerge at this time reflected a basic and long-held tenet of Mao Tse-tung's ideology--his conviction that human effort galvanized by ideals and mobilized on a massive scale can triumph over material limitations and transform the objective world. Crudely put, this faith in the power of mind over matter represents a deeply-ingrained streak of idealism in Mao's world-view which goes far to explain the momentous decisions in domestic and foreign policy taken in the winter and spring of 1957-1958.

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In domestic policy, the three programs which would dominate the Chinese scene from 1958 to 1960--the "general line of socialist construction," the "great leap forward," and the communes--were designed to accomplish the super-human feat of rapid modernization and industrialization of a backward Asian economy. In foreign policy, Mao would express the same contempt for the objective limitations of the real world at the November 1957 Communist summit meeting in Moscow where he would introduce his "paper tiger" image of America's military power and call for the adoption of a new forward strategy in the international Communist movement.

It is time to examine more closely the origins and consequences of this complex of radical policy decisions which, in their denial of Soviet economic, political, strategic and military doctrines, would pose a fundamental challenge to Moscow's leadership of the bloc. Central to this examination will be a review of significant developments shaping Sino-Soviet relations throughout this period, the developments viewed as forming a pattern of Soviet inducements and threats designed to bring Peiping into line and culminating in a concerted effort to subvert the Chinese Communist leadership in mid-1959.

A. The "Great Leap Forward" and the People's Commune
(October 1957-November 1958)

It is man that counts; the subjective initiative of the masses is a mighty driving force....Some people say that ideological and political work can produce neither grain, nor coal nor iron... One may ask: have we not produced more grain, coal and iron by formulating and carrying out correct political lines...by correctly handling contradictions among the people, and by raising the socialist consciousness of the workers, and are we not going to produce more and more by so doing?

--Liu Shao-chi, May 1958

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Now we must not think that Communism will only be realized very slowly. So long as we work properly, the time will be very soon when we realize Communism.

--Liu Shao-chi, July 1958

1. The Third Plenum

The situation which confronted the Chinese Communist leadership as it met in the Third Plenum of the Eighth Central Committee in September-October 1957 was far from promising. Two major domestic policies espoused by Chairman Mao during the preceding 18 months were in disrepute. The proposed answer to China's agricultural problem--the Draft Twelve Year Agricultural Program and the rapid creation of large-scale collective farms as the means for implementing this program--had failed to provide either the promised increments in production or a stable organizational form in the countryside. Mao's original conception of the liberal "hundred flowers" campaign as a means of improving relations between the CCP and the Chinese people (especially the intellectuals) had been undermined by the "rightist" attack on the party and government. Moreover, the stop-gap program adopted in November 1956 of providing greater material incentives to the peasants was not proving any more effective in raising either agricultural output or peasant consumption. Faced with a rapidly growing population, with relative stagnation in food production and dwindling food reserves, with a disaffected intellectual class and with mounting dissatisfaction among the peasants and rural cadres, Mao Tse-tung reacted by strongly affirming the correctness of his original policies and by announcing a series of radical measures designed to implement these policies at a much faster pace.

The first measure was to redefine and extend the "rectification" campaign, now merged with the "anti-rightist struggle," to encompass all the people. The cadres and peasants were a primary target of this expanded

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campaign, which would serve both to silence criticism and suppress doubts and at the same time incite a great new effort of construction and production in the countryside. Another major target was China's intellectual class, many of whom were sent to rural areas for "labor reform" as a reward for heeding Mao's earlier call to criticize the party. Even the favored urban working class was included in the expanded "rectification" movement. The objective here was to promote a new "rational low-wage policy" designed to narrow the sizable gap between urban and rural living standards and strengthen the worker-peasant alliance. In a revealing explanation of this decision, a People's Daily editorial of 29 November stated: "In our wage policy in the past...we have over-emphasized the importance of material incentives, while inadvisably relaxing our political and ideological work among the workers and employees."

The second measure was to revive, revise and expand the "leap forward," labor-intensive approach to China's economic development first advanced in tentative and incomplete form by Chairman Mao in the winter of 1955-1956. It is known that Mao at this party plenum revived his earlier slogan calling for "greater, faster, better and more economical results" in China's socialist construction. It is known that Mao at this plenum stressed his earlier conclusion that China's special conditions (a large territory, large population, small amount of arable land and a predominantly agrarian economy) necessitated an approach to economic development quite different from that in the Soviet Union. It is also known that the Draft Twelve Year Program for Agriculture (first introduced by Mao in January 1956) was a major topic of discussion at the September 1957 plenum and that the decision was taken at this time to organize a peasant labor army some 100 million strong to undertake a gigantic program of agricultural construction which would dwarf previous efforts in the countryside.

It is difficult to exaggerate the importance of this decision to exploit the economic factor of labor power in the evolution of the "great leap forward" and commune programs. The underlying premise was a simple

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one--that the solution to the problem of economic development (first of all, agricultural development) lay in the massive and intensive application of China's abundant labor supply; or, to employ the jargon of the Chinese Communist leadership, in the application of the "mass line," which had proved so successful in the revolutionary struggle for power, to the much more complicated process of socialist construction. Moreover, this tremendously augmented labor effort would have to be secured without resort to material incentives, a policy which had already been tried and found wanting and which, in any case, was ruled out in order to maximize savings and investment for future growth. Given these conditions, it became imperative to devise a mechanism through which the party could most effectively mobilize and control the rural labor force and at the same time restrict consumption. This mechanism would in time appear as the people's commune.

The immediate problem in the final months of 1957, however, was to formulate a new set of psychological and moral incentives to incite labor enthusiasm among the people. An early example of this new type of inspirational incentive appearing in November was the slogan: "Catch up with and outstrip Great Britain in 15 years." Another example was the concept of the "leap forward" itself. At this stage there were widespread doubts, bred by the experience of the preceding 18 months and extending into the higher echelons of the leadership, whether China could sustain more than a slow, painful rate of growth in economic development. Mao's confident assertion at the party plenum that China could build socialism at a rapid tempo must have provided a tonic to the flagging spirits of the party and populace.

The third and final incentive was the vision of a Communist society which the leadership was to hold before the Chinese people as the ultimate and not far distant goal of their bitter struggle. Although this theme was not widely publicized until the summer months of the following year, it would appear in muted form as early as January 1958 in an important New Year's Day party editorial and in a campaign launched immediately thereafter.

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to indoctrinate the broad masses in the Communist spirit and in a new Communist attitude towards labor. ■

2. The Moscow Conference

Following closely after the Chinese Communist central committee plenum of September-October, the proceedings of the Moscow Conference of Communist and Workers Parties in November 1957 would also exercise strong influence over the evolution of China's domestic and foreign policies in 1958. As recent reporting has made clear, this conference (and the negotiations surrounding it) was the occasion for important developments in Sino-Soviet political and military relations.

Of first importance was the Soviet agreement of October 1957 to assist China in the development of an advanced weapons program, a powerful inducement for the Chinese Communist leadership to subordinate their political ambitions in the interests of becoming a modern military power.



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[REDACTED] * At the same time, it is likely that the agreement also contained provisions (either explicit or implied) for joint controls and other safeguards which were objectionable to Mao Tse-tung on political grounds. That the Chinese leader was dissatisfied with this advanced weapons agreement (either that it was inadequate or encroached on China's sovereignty or posed a threat to party control over the military) is suggested (1) by Mao's performance at the Moscow conference; (2) by his strong stand the following spring opposing Russian efforts "to bring China under Soviet military control;" and (3) by his speech to the Military Affairs Committee the following summer in which he disparaged the importance of nuclear weapons and the value of Soviet military assistance.

At first glance, it appeared that this Soviet demarche in the fall of 1957 had been successful when Chairman Mao made a public declaration in Moscow acknowledging Soviet "leadership" of the bloc. But this public concession was largely negated by attacks on Khrushchev's "peaceful coexistence" strategy in private negotiations characterized by "heated exchanges" (Mao's own term) between the Chinese and Soviet party delegations. As is now well known, Mao's lengthy [REDACTED] speech to the conference sought to demonstrate that there had been a decisive change in the East-West balance of forces and that this change dictated a new forward strategy for the international Communist movement. In presenting this

*That this agreement included Soviet assistance in the development of nuclear weapons is suggested [REDACTED]

[REDACTED] by statements of Soviet officials in 1958 that they were assisting the Chinese in this regard; and [REDACTED] by the Chinese disclosures in August-September 1963 which clearly placed this agreement in a nuclear context and which in the original Chinese text clearly implied that the 1957 agreement called for providing China "with a sample of an atomic bomb and technical data concerning its manufacture."

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strategic assessment, Mao denigrated the military and economic power of the West (a "paper tiger") and minimized the consequences of a nuclear war should one result from a new bloc offensive. Despite his public declaration, Mao also implied [redacted] that what he really envisaged was a form of collective leadership for the bloc--in effect, co-leadership by the Soviet Union and Communist China.

If the October 1957 agreement did not explicitly provide for joint controls, the Chinese Communists have recently disclosed that specific proposals towards this end were made shortly thereafter when "in 1958 the leadership of the CPSU put forward unreasonable demands designed to bring China under Soviet military control." There is good reason to believe, moreover, that at least the first of these "unreasonable demands" (variously reported as proposals for establishing Soviet or joint Sino-Soviet submarine, radar, air and missile bases in China, and, of special importance, a proposed Soviet plan to deploy and control nuclear warheads in China) was advanced in the spring of 1958. For it was in May or June 1958, presumably after one or more of "these unjust demands were rightly and firmly rejected," that Chairman Mao made an important speech to the Military Affairs Committee of the CCP in which he disparaged the importance of nuclear weapons and the value of Soviet military assistance. [redacted]

3. The "Great Leap Forward" and the People's Commune

As noted above, the trilogy of China's distinctive domestic development programs--the "general line of socialist construction," the "great leap forward" and the communes--

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were linked from the outset. The New Year's Day editorial of People's Daily, which ushered in 1958 with a great flourish, revealed in its title ("Full Steam Ahead") an important element of the "general line;" announced the regime's determination to "leap forward" in all branches of the economy; and for the first time called on the Chinese people to struggle for the realization of socialism and Communism as a single "great ideal."

The first steps toward the realization of this "great ideal" [redacted]

[redacted] top-level Chinese Communist party conclaves which were to play a dominant role in developing the "great leap forward" and commune programs in the first half of 1958.

[redacted]
At the second party conference held in March at Chengtu, Mao proposed two important measures for implementing these ambitious goals. First he advocated the formation of greatly expanded "large cooperatives," in some cases representing an expansion of 20 to 30 times the original size.* Mao's second proposal, that of a "mass-line" for industrial development designed to exploit the underemployed labor force of China's peasants, was equally significant and deserves further elaboration at this point.

It will be recalled that Chairman Mao had proposed as early as April 1956 the construction of more medium and small size industrial enterprises as a means of accelerating China's industrialization and, to promote this objective, the decentralization of planning and financial authority to local governments. As finally worked out

*So much for the central committee pledge six months earlier to keep China's agricultural cooperatives small in size for a period of ten years.

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by the planners and technicians in the winter of 1957-1958, the new program centered on the construction of modern plants and provided safeguards for centralized control. Impatient for faster progress, however, Mao apparently decided at Chengtu to transform this program into a mass campaign which would penetrate beyond local levels of government to the agricultural cooperatives, there to rely on labor-intensive "native" technology to promote a "leap forward" in industrial development. Following the decision at the September 1957 central committee plenum to organize a huge peasant labor army to engage in agricultural production and construction, this decision at Chengtu to initiate a mass movement in rural industrial construction appears to be the second decisive factor leading to the establishment of communes in China. As the Chinese Communists would argue subsequently, the commune organization was a logical corollary of the rural industrialization program.

The third major party conference was the second session of the Eighth Party Congress which met in Peiping from 5 to 23 May. It was here that Liu Shao-chi formally introduced China's own "general line of socialist construction" and epitomized the "great leap forward" spirit by describing the age as one when "twenty years are concentrated in a day."* It was this session which demonstrated the new dominant role of the party and of a group of "party-machine" leaders (whose power derived mainly from their key positions in the party apparatus) to whom Mao Tse-tung had turned for advice and assistance in implementing the radical domestic (and foreign) policies adopted at this time. In place of the senior "administrator-economists" (Chou En-lai, Chen Yun, Li Fu-chun and Li Hsien-nien), a new cast of characters,

*The "general line," reflecting Mao's faith in the power of "subjective" factors to transform the objective world, called and still calls for "going all out, aiming high, and achieving greater, faster, better and more economical results in building socialism."

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together with Chairman Mao, dominated the May party congress and would continue to dominate and control the "great leap forward" and commune movements. These men, who have been described [redacted] as the "party-machine" leaders and, in the context of events in 1958, as the "exhorters," included, in order of importance, Liu Shao-chi (second only to Mao in the party leadership and Mao's heir apparent); Teng Hsiao-ping (chief of the party secretariat); Peng Chen (politburo member and a ranking member of the secretariat); and Tan Chen-lin (the secretariat's new spokesman on rural policy and agriculture).

The rationale for the party's arrogation of authority and control over China's economic development program was provided by Liu Shao-chi in the following passage from his congress speech.

Ideological and political work is always the soul and guide of every kind of work.../Despite what some people say... we can produce more grain, coal and iron by formulating and carrying out correct political lines...by raising the socialist consciousness of the workers and arousing the enthusiasm of the masses...

Thus "economic work" (a highly complex activity involving the planned allocation of resources, cost accounting and incentives keyed to production) was displaced by "ideological and political work" (an undertaking to arouse the "enthusiasm of the masses" for production). And China's "economic and technical personnel," who were attacked by Mao and Liu throughout 1958 for "rightist conservatism," were replaced by party enthusiasts exhorting a "great leap forward" in all branches of the economy.*

*Suggesting the existence of a reasonably well-defined grouping within the party who opposed the "great leap forward" in 1958, critics of this program were variously attacked as members of a "gloomy clique," a "tide-watching clique" and an "account-settling clique."

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It is interesting to note that two of the high-level members of the "administrator-economist" group--Chen Yun (the senior economic specialist) and Li Fu-chun (Chairman of the State Planning Commission)--were attending a CEMA meeting in Moscow during the latter stages of the Chinese party congress. As the head of the highest-ranking Chinese Communist delegation to participate in the deliberations of this bloc economic organization, Chen Yun was present (as a non-voting observer) when the conference decided "to strengthen economic cooperation...so as to bring about specialization and coordination in production" of all the countries in the socialist camp. Since this followed closely the announcement a month earlier that Communist China and the USSR intended to negotiate "a long-term trade agreement" in order "to coordinate better long-term economic plans," it is reasonable to conclude that one of the topics discussed by Chen Yun with Khrushchev in their talks of 26 May was Soviet assistance under such a coordinated economic development program. And, to anticipate subsequent developments, it is also a reasonable inference that Chen Yun may have advocated on his return a closer Sino-Soviet economic relationship than Mao and the "party-machine" were willing to accept.*

The drive to establish an independent, distinctively Chinese domestic development program was symbolized by the revival in May and June of a concept which had not appeared in Chinese Communist publications since 1953--the concept of "the ideology of Mao Tse-tung."

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*As is well known, this second Soviet effort to construct a network of long-term military and economic co-operation agreements binding Communist China to the USSR failed at the outset.

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[REDACTED] The accompanying claim that his works were Marxist-Leninist classics ("none other than universal truths of Marxism-Leninism") clearly implied that the Chinese Communists regarded Mao as the ranking Marxist-Leninist theoretician of the day and, as such, eminently qualified to provide theoretical guidance in their audacious commune experiment..

The people's commune was the last of the trilogy of China's distinctive development programs to appear. [REDACTED] there is good evidence that Mao had conceived the commune at least as early as April and may well have introduced and developed the concept [REDACTED] in the spring of 1958.* Whatever its point of origin, the people's commune was unveiled in July, in two Red Flag articles by Chen Po-ta (long a spokesman for Mao), as the chosen instrument for China's "great leap forward" in economic development.

After asserting that the "general line" had already assured bumper crops in agriculture, Chen stressed in his first article the key role of China's peasants in the mass movement under way to promote rapid industrialization of the economy. Then, as the organizational form for mobilizing the peasants to undertake this role, Chen cited an advanced agricultural cooperative as an example of spontaneous formation of a "people's commune" combining industry and agriculture.

Chen's second article provided a considerably more detailed discussion of the commune concept. Arguing that Lenin had entrusted to "the Communists of Eastern countries" the urgent task of developing Marxist theory "in the light of special conditions unknown to the European countries," Chen advanced the people's commune as Mao Tse-tung's

*The Chinese Communists have deliberately obfuscated the origins of the commune by pretending that it was a spontaneous creation of the masses.

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latest "creative development" of Marxist-Leninist theory in fulfillment of this task. Just as China's agricultural producers cooperative had been cited earlier as a "brilliant example" for "billions of peasants all over the world to follow," so now the people's commune was advanced as the best organizational form for solving the special problems of economic development in Asia and, by extension, all the underdeveloped areas of the world.

Chen then put Mao on record as having said (apparently in May*) that "our direction must be gradually and systematically to organize 'industry, agriculture, commerce, education and the militia' into a big commune, thereby to form basic units of our society." Chen observed that this concept of the commune was "a conclusion drawn by Comrade Mao Tse-tung from actual life" and that under Mao's banner China would in the "not distant future" achieve a Communist society.

Chen's articles were revealing in several respects. They firmly identified Mao as the architect of the commune program, asserted that Mao's concept was derived from practical experience in China, and implied some contentions which were to strain severely the Sino-Soviet alliance: that Peiping had discovered a distinctive road to Communism; that this road was a short-cut which would bring China to Communism at a relatively early date; and that this road was applicable to other underdeveloped countries in Asia, Africa and Latin America.

With the appearance of the commune in July (a formal party resolution directing the establishment of people's communes throughout the country followed in August), Communist China's unorthodox trilogy of domestic development programs was complete. Representing a return to the

*Subsequent discussion in Chinese publications would indicate that this occasion could have been no later than the fifth plenum of the central committee held the last week in May.

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"mass line" approach to socialist construction which Mao had introduced in tentative and incomplete form more than two years earlier, they called for total mobilization of all available resources in order to break through the formidable barriers to China's economic and social development, in particular its huge population supported by a weak agricultural base. Whereas Khrushchev in mid-1959 was to stress that the lack of "necessary material conditions" had foredoomed the early Soviet experiment with communes, Chairman Mao in 1958 arrived at just the opposite conclusion--that under the conditions of a "have-not," underdeveloped Oriental economy, the commune itself would have to be the instrument to effect rapid economic development.

As originally envisaged, the commune was to effect total mobilization of China's limited resources in three ways. First, by taking over the "private plots" of land, small livestock and larger production tools belonging to individual peasants, the commune gained control over the total labor power of the peasant and reduced him to a status of total dependency on the commune for his livelihood. The second step was the extension of more rigid and effective controls over peasant consumption to be implemented by means of the famous "free supply" system through the commune mess-hall. It was here that the commune was expected to perform one of its most important functions as a mechanism for converting a sizable agricultural surplus into investment for industry. According to the original plan, these greatly augmented investment funds were to be used for three separate but related purposes--to finance the purchase of agricultural producer goods from existing industrial plants; to help finance the construction of modern industry through increased tax payments and "contributions" to the state; and to pay for the construction of "native" industry on the commune level. In the Chinese view, the commune would make it possible to telescope the painful process of "primitive accumulation" experienced by any agrarian society bent on industrialization.

The third and by far the most important resource in the commune mobilization program was human labor power.

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As Liu Shao-chi had stressed in his May congress report, "It is man that counts"--but man conceived as a producer, not consumer, and man organized into labor armies for shock campaigns in nearly every field of economic activity. Citing the Communist Manifesto (which a century earlier had called for the "establishment of industrial armies, especially for agriculture") and China's own revolutionary tradition of armed struggle, the 1 September Red Flag editorial on the formation of people's communes stressed their utility in organizing the peasants "along military lines" in order to "storm the fortress of nature and march to the happy future of industrialization, urbanization and Communism in the countryside."

Because of limitations of space (and because the results are well known), Peiping's frenzied efforts in succeeding months to achieve a "great leap forward" in all sectors of the economy will only be briefly summarized. The first objective was to realize a "leap forward" in agriculture by employing a revolutionary approach to agricultural production--an approach in which the intensive utilization of China's most abundant resource, labor, was expected to compensate for the critical scarcity of such other factors of production as arable land, agricultural machinery and chemical fertilizer. Central to this approach was the adoption of a set of "garden culture" techniques consisting of eight basic rules of agricultural production (Mao's "eight point charter"), with special emphasis on deep plowing and close planting as the means for achieving a technological break-through in agriculture. This in turn would permit realization of Mao's fantastic concept of land cultivation which was aimed at the reduction of sown acreage "in the next several years" to one-third of the existing level. As implemented with fanatical determination by party enthusiasts, first agricultural planning, then agricultural statistics and finally agricultural science were subordinated to political ends in the best Stalinist tradition. The end result of this exercise [REDACTED] was Mao's claim in October that Communist China would double grain production not only in 1958 but also in 1959.

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Following large-scale agricultural construction and production, the second objective of these programs was to promote a "leap forward" in industrial development. Although a continuing mystery to Western analysts, Communist China's "mass line" of industrial development in 1958 was apparently based on the belief that techniques which had proven relatively successful in agriculture could be applied to the infinitely more complex process of industrialization, especially the reliance upon labor-intensive "native" technology performed by the "greatest labor army in the world." Incited by Mao's call in late August "to launch a great leap forward in iron and steel production by 15 September," a gigantic peasant labor army in excess of 50 million was organized to construct hundreds of thousands of "backyard" iron and steel installations throughout rural China. The disastrous consequences of this shock construction and production campaign--attacked from the outset by China's industrial planners and technicians as "irregular," "of rural style" and "analogous to the practice of guerrilla warfare"--were to precipitate a crisis of major proportions in China's "great leap forward" just prior to the December 1958 plenum of the central committee.

The third objective of China's frenetic speed-up of economic activity in 1958 was to accelerate the mechanization and electrification of agriculture. If the commune was essentially a mechanism to substitute regimented manpower for machinery in solving China's agricultural problem, it is also true that the Chinese Communists considered this only a first step in a comprehensive program leading to industrialization and agricultural mechanization. As was the case with the "mass line" of industrial development, however, the program of technical revolution in agriculture proclaimed by Peiping in 1958 was characterized by shifting content and destined for ignominious failure. Following short-lived experiments with locally produced "baby" tractors, the "native" production of ball bearings, and commune construction of small hydroelectric power stations, the Chinese Communists claimed in September to have discovered in the towing-cable machine a substitute for "those complicated big machines /i.e. tractors/ which are hard and expensive

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to produce" and thus "a short-cut to agricultural mechanization and electrification under the concrete conditions of our country." (Underlining supplied)

Following the appearance of the commune and the claimed discovery of a series of short-cuts to agricultural abundance, industrialization and the mechanization of agriculture, Chinese Communist estimates of current and future rates of growth jumped sharply. At the same time, the "short-cut" strategy clearly implied a reduction of the standards for measuring the achievement of a socialist, industrialized economy in China. As a result of these developments, it appeared that Communist China's leaders now intended to complete the transition to socialism within a period of five years, with 1962 to mark the completion of one stage and at the same time the formal inauguration of a new higher stage--the transition to Communism.

These then were the extravagant economic and ideological pretensions initially advanced for Communist China's commune and "great leap forward" programs in the summer and fall of 1958. The realization in the months that followed of the patent falsity of these pretensions was a traumatic experience from which the Chinese Communist party has yet to recover. The glaring discrepancy between promise and performance called into question not only the validity of the party's programs but even the competence of its leadership. Responding to the pressure of events and to the rising tide of both Soviet and domestic criticism, the Chinese Communists sharply reversed course in November and initiated a period of "great retreat" on all fronts. It is to an examination of the developments in this period, culminating in the most serious challenge to Mao Tse-tung's leadership of the CCP since 1935, that we must now turn.

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B. The Great Retreat (December 1958-August 1959)

When the leaders of the Chinese People's Republic...announced the 'great leap' and began setting up people's communes, our party saw that this was a road of dangerous experiments...N. S. Khrushchev personally told Mao Tse-tung in the summer of 1958...that such a form of production organization of peasants as the commune did not justify itself for many reasons.

--USSR Government Statement, 20-21 September 1963

In the summer of 1959...revisionists inside the country rose in response to international revisionism and launched their frenzied attack against the leadership of the party.

--Ho Chi-fang, "Preface to Stories of Not Fearing Ghosts," Red Flag, 1 February 1961

Peng Te-huai was sent to a monastery because he wrote a letter to the CPSU expressing dissatisfaction with the communes. Although they admit they had to change their original ideas somewhat, the Chinese still use the term 'communes.' In reality, they are brigades rather than communes..

--Speech by Khrushchev at the Bucharest Conference, 26 June 1960

To Western analysts of Chinese Communist politics, the period extending from the fall of 1958 through the

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summer of 1959 is in many respects the most interesting and revealing since the founding of the Chinese People's Republic. As recent reporting has made progressively clear, this was a period of active Soviet intervention in the policy deliberations of the Chinese Communist leadership, ranging from Khrushchev's direct representations to Mao Tse-tung through threats and sanctions to intrigue with dissident elements in the Chinese party. It was also a period when domestic opposition to Mao's policies assumed major proportions. As the following discussion will attempt to demonstrate, the convergence and crystallization of these forces in Peng Te-huai's attempt to persuade the central committee to reverse course in mid-1959 not only posed a serious challenge to Mao's leadership but also forced a fundamental decision on China's relationship with the Soviet Union. In retrospect, it appears that the Eighth Plenum of the Eighth CCP Central Committee at Lushan in July-August 1959 was a decisive turning point in both domestic and foreign policy, a watershed in the history of Communist China's development policy internally and of Sino-Soviet relations.

1. Soviet and Domestic Pressures

It was fitting that the first act in this power struggle should be a direct confrontation between Khrushchev and Mao in Peiping in late July and early August 1958. Although the subject of speculation at the time, it is now a matter of record that Khrushchev on this occasion warned the Chinese leader of the dangers inherent in the commune and "great leap forward" programs, citing "many reasons" drawn from Soviet experience why they were impractical and doomed to failure. Demonstrating once again Mao Tse-tung's [REDACTED] and assertiveness, Mao's response to this "comradely" advice was to assume personal leadership of the mass campaign to organize communes throughout China on the very next day after Khrushchev's departure.

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A topic of more immediate urgency, however, was Communist China's imminent offensive against the Chinese Nationalists in the Taiwan Straits. Although our information about the exchanges on this issue is less precise, there is reason to believe that this was another occasion when "in 1958 the CPSU leadership put forward unreasonable demands designed to bring China under Soviet military control," with Khrushchev advocating the establishment of a joint Sino-Soviet naval command in the Far East. Needless to say, this proposal was also "firmly rejected" by the Chinese Communist leadership.

Following these fruitless representations, Khrushchev turned increasingly to threats and sanctions in order to secure compliance from his Chinese ally. In August, the Soviets threatened once again to withdraw their technicians from China but were dissuaded from taking this drastic step. Next, Khrushchev withheld support in the Taiwan Straits crisis until Peiping had suffered humiliating losses and been forced to retreat. As the Chinese have subsequently charged (with some distortion) it was only when there was "no need for the Soviet Union to support China...that the Soviet leaders expressed their support for China."

Finally, Soviet spokesmen leveled a series of increasingly outspoken criticisms [REDACTED] at Communist China's commune and "great leap forward" programs. Elaborating Khrushchev's earlier admonitions to Mao, these criticisms were clearly intended to refute Communist China's claim of advanced status on the road to Communism, discount its economic pretensions, and reassert forcefully Soviet primacy in charting a "common road" for all bloc countries to reach socialism and Communism. It is likely, moreover, that more palpable forms of pressure were applied to persuade the Chinese to change course at the Wuhan central committee plenum in December, including blunt interparty communications and revived threats concerning the Soviet aid program. [REDACTED]

[REDACTED] the import of Khrushchev's public warning in October that "it is difficult for one socialist state to construct socialism and Communism on its own" must have been clear to the Chinese leadership.

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A factor of equal if not greater importance impelling the Chinese Communist regime to change course at Wuhan was the rising tide of domestic opposition to the "great leap forward" and commune programs. First was the disclosure that a number of "leading personnel" in China's iron and steel industry opposed continuing the mass iron and steel campaign and, shortly thereafter, that a national conference of party industrial secretaries had decided to suspend this ill-fated experiment with "native" production of iron and steel. Issuing a call for "unified planning" and for "treating the whole country like a chess board," this conference signaled the approaching end of the extreme decentralization of controls which had characterized the "great leap forward" program of industrial development up to that time.

Next, a series of emergency directives testified to the mounting crisis in agriculture and the decision in November to "let the peasants rest" indicated the need to slacken the pace and regroup forces in the countryside. By December it was necessary to concede "exaggeration, lies and falsification" in the reporting of agricultural production. And, following the admission in a 4 November People's Daily editorial that "the tool reform movement...has almost come to a halt," the claim to have discovered a "short-cut" to agricultural mechanization was abruptly withdrawn.

It was in the commune program proper, however, that the extent of domestic opposition was most clearly revealed. Representing a broad groundswell of popular discontent, this opposition appeared in the form of increasingly vocal criticism from within the government, the party and the military. Cadre disaffection in the countryside was revealed in many ways--by the reluctance of basic-level government workers to join the communes; by cadre unwillingness to eat in the general commune mess-halls; and by cadre charges appearing in the press that the entire commune program constituted a "rash advance" and was "theoretically wrong." On 1 November Red Flag conceded that cadre insubordination had reached serious proportions when it called for "shifting our main efforts to dealing with bourgeois tendencies among our party cadres

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in the villages because such tendencies have seriously hampered the establishment and development of our people's communes.' (Underlining supplied)

The evidence of opposition to the communes within the ranks of the military is of special interest in the light of subsequent developments. It is a striking paradox that the attempt to reintroduce the supply system (the Chinese Communists frequently cited the supply system of 'military Communism' in force during their revolutionary war period as a precedent for "free supply" under the commune distribution system) into the armed forces in the fall of 1958 apparently aroused considerable dissension. In October, the Liberation Army Daily revealed that this proposal had touched off 'heated discussion' among military cadres and launched a strong attack against "those comrades who do not welcome the supply system." In early November the General Political Department of the People's Liberation Army initiated a mass socialist-Communist indoctrination campaign among the armed forces in defense of the commune program, concluding with a stern injunction to all military components to support it. One objective of the campaign deserves special emphasis--that of "making all commanding personnel in the army progressive elements in the commune movement and the march to Communism." Thus, there were already indications that opposition to the communes extended into the military command.

2. The Great Retreat

Responding to the pressure of events and to the rising tide of both Soviet and domestic criticism, the Chinese Communist leadership, in a series of urgent conferences extending through November and early December, was compelled to undertake a fundamental and humiliating retreat encompassing both the commune and "great leap forward" programs. The manner, character, and magnitude of this "great retreat" deserves extended discussion.

There is abundant evidence that the Peiping regime decided at the Wuhan central committee plenum in December

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to undertake a major overhaul of its "great leap forward" program. The cumulative effects of failure in the mass iron and steel campaign, of grave imbalance in the national economy, of serious trouble in agriculture, and of the near collapse of the tool reform and farm mechanization programs dictated a forced retreat on the economic front. Although political considerations were to perpetuate hopelessly unrealistic "leap forward" goals until well into 1959, the December commune resolution revealed that the era of extreme economic pretensions was at an end. In place of former claims to have discovered a "short-cut" to agricultural abundance, industrialization, and agricultural mechanization, the Wuhan plenum resolution contained the following relatively sober appraisal of China's future development: "The building of a socialist country with a highly developed modern industry, agriculture, science and culture...will take 15, 20, or more years to complete, counting from now."

The magnitude of Chinese Communist retreat was more clearly revealed in the commune program proper, a retreat all the more humiliating because it appeared to result largely from Soviet pressure. Soviet pressure appeared to be largely responsible, for example, for the decision at Wuhan to abandon the extreme ideological pretensions originally advanced for the commune, particularly the claim that this radical social organization provided a short-cut to the ultimate Communist society.*

This retreat was accomplished first of all by conceding that "the stages of socialism and Communism,

*Examples of Soviet pressure at this time were the 6 November speech by Ambassador Yudin (who had just returned from Moscow to Peiping) and the 14 November publication of the Draft Theses of Khrushchev's impending report to the Twenty-First Party Congress which (1) sharply criticized basic elements of the commune system and (2) refuted point by point the Chinese claim to be leading the bloc in an accelerated march to Communism.

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different in quality, should not be confused;" secondly, by acknowledging the Soviet position that highly developed productive forces (material abundance in industry and agriculture) were indispensable for the advance to Communism; and finally, by redefining the commune system of distribution (originally hailed as a manifestation of "the economic system of Communism") as "actually a form of socialist distribution." When, further, the December resolution of the Wuhan plenum depicted the commune as a distinctively Chinese institution and carefully restricted its application to China in discussing the future transition to Communism, the major economic and doctrinal pretensions originally advanced for the commune program had been stripped away.

The central committee decided at Wuhan not only to initiate a general retreat in domestic policy but also to approve Mao Tse-tung's resignation as Chairman of the People's Republic of China. Although there were undoubtedly other contributing factors, it is hardly conceivable that this decision to resign was unrelated to the sorry performance of the commune and "great leap forward" programs. Faced with a crisis in both domestic and foreign policy, Mao apparently decided that it was necessary to devote maximum time and energy to rectifying a situation which had got badly out of hand.

The first step was a concerted effort to dissociate the party's leadership--especially Chairman Mao--from the more radical and unsuccessful features of the "great leap forward" and commune programs. One tactic employed in the December resolution was to ascribe the defects of the commune experiment to low-level cadres who were "dizzy with success" and, more ominously, to "alien class elements who have smuggled themselves into the leadership of the communes." The occupational hazard of the cadre as a scapegoat for mistakes of the party's leadership was once more clearly revealed.

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Another device was the attempt to demonstrate that Mao all along had charted the correct course despite the opposition of "rightist conservatives" on the one hand and "leftist" adventurists on the other.* In order to support this position, it was necessary to resort to outright falsification of the record. Despite this effort, however, (and bearing out the charge apparently made at Wuhan that "the commune movement arose...from Utopian concepts and the commands of a few people,") it was precisely Chairman Mao and the group of his principal lieutenants--Liu Shao-chi, Teng Hsiao-ping, Tan Chen-lin and others-

[redacted] who had assumed personal leadership of the commune movement throughout 1958 in a program purporting to lead to an early Communist society in China.

Mao himself played an active role in this transparent effort at falsification.

[redacted] In a circular letter to party cadres the following spring, Mao again alluded to a possible "conservative" strain in his thinking in enumerating various defects in the commune and "great leap forward" programs.

[redacted] it is likely that Mao felt constrained at this time to associate himself with those elements within the party and government (administrators, economic specialists and military figures) who had appeared to question the feasibility of these programs from the outset.

*Both of these tactics would be revived and elaborated at the Ninth Plenum of the Central Committee in January 1961 when the party leadership would be forced once again to make a "great retreat."

Apparently acting on the assumption that Peiping had "ceded" on the communes, Moscow responded with a substantial increase in both military and economic assistance following the Wuhan conference. There was a sharp jump in both the quality and quantity of military goods shipped to China, including for the first time MIG-19's and, [REDACTED]

[REDACTED]
The increase in economic aid was equally impressive, with the publication in February 1959 of a new Soviet agreement to provide 78 additional industrial plants to Communist China and the subsequent announcement of an 80 percent jump in the delivery of "complete sets of equipment" in 1959 under the Soviet aid program.

A significant feature of this period of general retreat in domestic policy accompanied by increased Soviet economic and military assistance was the return to prominence of moderate elements within the Chinese Communist leadership who presumably favored closer Sino-Soviet economic and military cooperation. Of first importance was the re-emergence of Premier Chou En-lai as a principal spokesman for the Chinese Communist regime, entrusted with making a conciliatory speech at the Soviet party congress in February (where he said that the Soviet example of "building socialism and Communism" had inspired Communists everywhere "who see in the Soviet Union's today their tomorrow"); with concluding the new Soviet economic aid agreement in Moscow; and with redefining the "great leap forward" in more modest terms at the April session of China's National People's Congress (where he made the distinctly un-"leap forward" like statement that

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there might be decreases in production in a given year, especially in agriculture). Next was the return to relative prominence of Chen Yun (the party's senior economic specialist) to assume an important role in overhauling the "great leap forward" fiasco in the iron and steel and construction industries and to publish a tribute to the Soviet program for building Communism. Next was the reappearance of the self-confessed "conservative" Teng Tzu-hui as the party's spokesman on rural policy, citing numerous failures in the extremist agricultural programs in 1958 and deriding the "foolish ideas" of those who had wanted to move rapidly from socialism to Communism. Finally, there is evidence that Minister of National Defense Peng Te-huai and his adherents within the People's Liberation Army were advocating greater moderation in domestic policy and conciliation toward their Soviet ally at this time.

Of particular interest during this period of general retreat was the fact that Chairman Mao appeared to shift ground to place himself at the head of this more conservative consensus within the party. Presiding over a series of high-level party meetings extending from February through April, Mao is known to have proposed a number of specific measures designed to remedy the excesses of the commune and "great leap forward" programs and to have advocated more practical and "realistic" work methods in implementing these programs.

Mao sanctioned such a fundamental retreat in the commune program (including decentralization of controls to the production brigade; return of "private plots" and production tools to the peasants; scrapping of commune industry; recognition of material incentives; and voluntary participation in the commune messhalls) that by mid-summer Communist China's vaunted people's commune appeared to exist in name only. Additional evidence of Chairman Mao's disenchantment was his admission in May that "the fundamental way out for agriculture lies in mechanization"

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and not, by implication, in the "militarized production" system of the original commune.

Most striking of all was a circular letter sent by Mao in May 1959 to party committees at all levels extending down to the village. Although marked by equivocation, this letter conceded that production targets under the "great leap forward" had been highly unrealistic, admitted that there had been "excesses" in the implementation of the commune program, and in effect apologized to basic-level rural cadres for having been subjected by their superiors to "the curses and complaints" of the peasants. With this background in mind, ensuing developments in the summer culminating in the Peng Te-huai affair become somewhat more intelligible.

3. The Peng Te-huai Affair

The first of these developments was the Soviet decision to turn from the carrot to the stick in its continuing efforts to influence Chinese Communist policy deliberations. Perhaps alerted by Peng Te-huai (who traveled to the Soviet Union in late April) to the existence of policy differences within the Chinese leadership, the Soviets beamed a series of broadcasts to China from mid-May to mid-June underlining the vital nature of Soviet aid to Communist China's economic development. Following this implicit threat, Peng Te-huai returned to Peiping on 13 June after a six weeks tour of the USSR and Eastern Europe, possibly with a warning of Soviet sanctions if the Chinese did not make further, more explicit retreats in their "great leap

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forward" and commune programs. This was followed in short order by the sudden Soviet cancellation on 20 June of its October 1957 agreement to assist the Chinese Communists in the development of advanced weapons.* As the final instance of renewed Soviet pressures, Khrushchev launched a thinly-veiled public attack in July on China's communes, including the charge that its sponsors "had a poor understanding of what Communism is and how it is to be built."

Coincident with these pressures, there were clear signs of uncertainty within the Chinese Communist leadership on how to cope with China's mounting economic crisis: whether to persist with the "great leap forward" and commune programs or retreat even further to more orthodox policies in the hope of greater (or at least undiminished) Soviet assistance.

[REDACTED] a Chinese Communist request for large-scale economic aid in June, perhaps seeking clarification of Khrushchev's Twenty-First Party Congress pledge in February to help the underdeveloped bloc countries catch up with the advanced for a "more or less simultaneous transition to Communism."**

Another sign of policy vacillation was the statement in early June by the influential provincial party

*What appears to have precipitated Soviet cancellation of this agreement was a Chinese demand that Moscow stop procrastinating and hand over, in accordance with the provisions of this agreement, "a sample of an atomic bomb and technical data concerning its manufacture."

**The likelihood of such a request is strengthened (1) by the fact that it would have followed closely on the Soviet offer in May of substantial support for India's Third Five Year Plan;

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secretary Tao Chu that the test of "greatness" in leadership (which in the context could only refer to Mao) was the ability "to change original policy and discard the original formula" once the objective situation had changed. Still another was a speech in which the Director of the State Statistical Bureau Hsueh Mu-chiao (soon to be purged) consistently used the expression "agricultural producer cooperatives or people's communes," apparently reflecting Soviet efforts to downgrade the status of the commune organization to that of its predecessor--the collective farm. The final indication of flux and of an on-going Sino-Soviet dialogue was Chou En-lai's assertion on 17 June of the need to learn not only "from the Soviet Union" (a stock formulation) but also "from Soviet leaders" (almost unprecedented).

It was at this juncture of events that the central committee convened at Lushan for the most dramatic and momentous meeting of the Chinese Communist leadership since the founding of the CPR. At Lushan, Soviet and domestic opposition to Mao's leadership and policies converged in the person of China's Minister of National Defense Peng Te-huai. In retrospect, it appears that this plenum was a decisive turning point, a watershed in the history of Communist China's domestic policy and of Sino-Soviet relations.

Although there is much we still do not know about the [redacted] between Peng Te-huai and Mao Tse-tung at Lushan, [redacted] the following propositions can be advanced with some (although varying degrees of) confidence:

(1) that Peng circulated a memorandum at the first session of the party conference in July attacking the "great leap forward" and communes and urging "an about face;"

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(2) that Peng had communicated (probably beforehand) similar views in a letter to the Communist Party of the Soviet Union;

(3) that these views coincided with those of Khrushchev, who may very well have encouraged him in this endeavor during his visit to the Soviet Union;

(4) that although Peng centered his fire on domestic issues, the real issue between Peng and Mao was more likely a dispute over military policy and the advisability of making concessions in order to ensure continued Soviet military, technological and economic assistance;

(5) that the Soviet asking price for continued assistance probably included abandonment of the "great leap forward" and communes in fact, if not in name, and acceptance of a joint defense system in the Far East featuring Soviet control over nuclear weapons and their delivery systems in China;

(6) that Peng won support in varying degrees from a number of members of the central committee, including fellow-politburo member Chen Yun and possibly to a limited extent even Premier Chou En-lai; and

(7) that Mao then rallied his supporters, counter-attacked and won the day at the second Lushan session in August, resulting in the punishment of Peng and his more intimate supporters as members of a "right opportunist anti-party group."

[REDACTED]

for Soviet intervention at Lushan and for the likelihood of collusion between Peng Te-huai and Khrushchev is better known, including (1) the Soviet leader's charge at Bucharest in June 1960 that "Peng Te-huai was sent to a monastery because he wrote a letter to the CPSU expressing dissatisfaction with the communes"; (2) periodic

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Chinese charges extending from the fall of 1960 to the fall of 1961 accusing Khrushchev of "expressing undisguised support for anti-party elements within the CCP;" and (3) the assertion published in the Chinese Communist party organ Red Flag in February 1961 that "in the summer of 1959...revisionists inside the country rose in response to international revisionism and launched their frenzied attack against the leadership of the party."

[REDACTED]

Following so soon after Soviet cancellation of the advanced weapons aid agreement, it is plausible to assume that Peng recruited support on the basis of a pledge to reinstate this agreement once Soviet conditions were met. This hypothesis is supported, moreover, by a recent report that Peng Te-huai was purged

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The evidence for assessing the amount of support Peng was able to muster at Lushan deserves more extended discussion. First, Peng appears to have received substantial support from other senior military figures of the regime, including Chief of Staff Huang Ko-cheng (subsequently purged); Director of the General Logistics Department Hung Hsueh-chih (also purged); Director of the General Training Department Hsiao Ko [REDACTED] Director of the General Political Department Tan Cheng [REDACTED] and a half dozen lesser military leaders who have been out of the news since 1959. Next, there appears to be little question now [REDACTED] that Peng's supporters also including Chang Wen-tien (alternate politburo member subsequently dismissed as Vice-Minister of Foreign Affairs) and Chou Hsiao-chou who would lose his post as first secretary of the Hunan provincial party committee.

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Among the top level party leaders whose positions at Lushan are less certain, the case of Chen Yun (vice-chairman of the politburo and senior economic specialist) is of special interest. Although allowed to retain his party and government positions, [REDACTED]

[REDACTED] Reinforcing the conclusion that Chen has been "silently" purged is the fact that since that time he has neither made speeches nor written articles, has appeared publicly only rarely on ceremonial occasions, and has not been seen at all for the past two years.

The case of Premier Chou En-lai is more intriguing, if less clear. [REDACTED]

[REDACTED] What does appear to be clear is that once the final decision was taken the Chinese premier acquiesced and cooperated loyally in the implementation of these programs thereafter.

In retrospect, it appears that this victory of the "party-machine" or "native radical" group at Lushan was a decisive turning point in the development of Communist China's domestic and foreign policy, especially in the development of Sino-Soviet relations. Reacting to Soviet sanctions (in the sudden cancellation of the advanced weapons aid agreement) and to Soviet subversion (in Khrushchev's intrigue with Peng Te-huai), the dominant leaders apparently decided at Lushan to subordinate the military and economic assets of the Soviet alliance to larger political and ideological ends. This was indicated first of all by the assertion (both then and later) that "right opportunism" (Peng Te-huai's heresy) was the same as "modern revisionism" (Khrushchev's

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heresy) and, conversely, that the "ideology of Mao Tse-tung" was the "true" Marxism-Leninism of the contemporary era. This was also indicated by Teng Hsiao-ping who, in a special article written for Pravda on 1 October 1959, lectured the Soviets on the evils of "great nation chauvinism" and implied that China would "go it alone" if necessary. ■

Another consequence of the Lushan plenum was to seriously weaken the influence of more moderate elements within the CCP. Whereas these elements in the spring had publicly criticized, even ridiculed, the excesses of the "great leap forward" and commune programs, they were now served notice that criticism of party policies would no longer be tolerated. Indeed, Premier Chou En-lai appeared to be addressing these moderates (in his 26 August "Report on the 1959 Economic Plan") when he warned: "Aren't you afraid of being thrown across the border line /to join/ the bourgeois rightists?" Although there would continue to be significant policy differences among the Chinese Communist leadership, the limits of tolerable dissent would be sharply circumscribed after the Lushan plenum.

An immediate result of the victory of the "party machine" group at Lushan was revival of the "great leap forward" and commune programs of economic and social development, accompanied by revival and intensification of a "cult of personality" for Mao Tse-tung rivaling that under Stalin. It is to an examination of this period of "continuous great leap forward" that we now turn.



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IV. THE CONTINUOUS "GREAT LEAP FORWARD" AND PROLONGED RETREAT (SEPTEMBER 1959-JULY 1962)

Our leap forward is a new thing appearing in our country that fits in exactly with socialist economic laws.... It can be stated positively that our economy will continue to grow year by year and that we can maintain the speed of the leap forward in its development.

--Liu Shao-chi, "The Victory of Marxism-Leninism in China," Red Flag, 1 October 1959

The Chinese Communist authorities admitted that the leap forward had been a pretty ghastly mistake....Both Chou En-lai and Chen Yi said that those who earlier believed...that China could build a modern industrial state...in from 10 to 20 years had been proved completely wrong.

--Comment of Malcom MacDonald (Following trip to Communist China in October 1962)

As the latest cycle of advance and retreat in Communist China's domestic development program, the roughly three-year period extending from the fall of 1959 to mid-1962 opened with the defiant prediction of a "continuous leap forward throughout the whole decade of the sixties" and closed with the unprecedented admission that the Chinese Communist party's central committee had "lost its way" in the charting of economic policy. The decisive turning-point was, of course, the summer of 1960 when the combined effects of successive bad harvests and Soviet

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withdrawal of technicians caused the "great leap forward" to collapse. Instead of the promised continuous "leap forward," the experience of the Chinese people so far throughout the 1960's has been one of continuous crisis.

One of the most interesting conclusions emerging from a review of this period is that the Chinese Communist leadership, having identified and admitted a number of mistakes in the implementation of their "great leap forward" and commune programs in 1958, then proceeded almost willfully and systematically to repeat the same mistakes in 1959-1960. The best explanation for this remarkable performance is that apparently it was motivated in large part by political considerations, principally the need to uphold the prestige of Chairman Mao and the party leadership against internal and increasingly vocal external (Soviet) attack.

Three general observations concerning the ensuing two year period of enforced retreat deserve mention at this point: (1) that the initial effect of Soviet withdrawals and threatened economic collapse was to unify the top Chinese Communist leadership in the formulation and implementation of urgent corrective measures; (2) that this unity and determination to undertake necessary reforms apparently broke down in a dispute over policy issues in the spring of 1962; and (3) that at no time was any fault ascribed to the guiding principles of the "general line," the "great leap forward" and the people's communes or to the leadership of the party center or Chairman Mao, but rather to the mistakes of interpretation and execution of these programs committed by lower level party officials and cadres.

A. The Continuous and Uninterrupted "Great Leap Forward" (September 1959 - July 1960)

As long as we diligently study Marxism-Leninism and the teachings of Mao Tsetung, we will be able to maintain a continuous and uninterrupted great leap

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forward in our national economy.

--Li Fu-chun, "On the Great Leap Forward
in Socialist Construction," Red Flag,
1 October 1959

Comrade Mao Tse-tung...has developed
the basic principles governing the high
speed development of socialist construction.

--Su Hsing, "Study Comrade Mao Tse-tung's
Thoughts Concerning the High Speed Con-
struction of Socialism," Peiping People's
Daily, 25 February 1960

1. The Cult of Mao Tse-tung

When Mao Tse-tung appeared in public for the first time following the combined Soviet-Peng Te-huai challenge at Lushan, the 14 September issue of People's Daily emphasized in an unusual formulation that he received "a standing ovation of five minutes" from the delegates assembled at a military sports festival. Shortly thereafter, the new Minister of National Defense Lin Piao issued an unprecedented declaration of allegiance when he pledged "the unconditional loyalty f the People's Liberation Army to the party and Comrade Mao." At the same time, a high-level party spokesman acclaimed Chairman Mao, again in unprecedented terms, as "the most outstanding contemporary revolutionary, statesman and theoretician of Marxism-Leninism." The stage was set for the revival and elevation to new heights of the "cult of Mao Tse-tung."

The importance of this recurring phenomenon in Chinese Communist political life (it has appeared again recently) warrants further discussion. The purposes of the nation-wide campaign in glorification of Mao Tse-tung in 1959-60 were apparently three-fold: (1) to repair Mao's self-esteem which must have been badly scarred [REDACTED] at Lushan; (2) to generate [REDACTED]

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popular support of the regime through the charisma of its leader;* and (3) perhaps most important, to substitute "the ideology of Mao Tse-tung" for the false "revisionism" of Khrushchev as the true expression of contemporary Marxism-Leninism.

Following four public (if indirect) attacks by Khrushchev on China's foreign and domestic policies in the fall of 1959 (including charges of "conceit...and mistakes in leadership"), the claims for Mao's ideological pre-eminence in the international Communist movement became progressively shriller and more explicit. To cite a few, the following tributes appeared in a series of articles by provincial first secretaries in the spring of 1960: (1) "The ideology of Mao Tse-tung is Marxism-Leninism of the new historical stage, the stage of socialist revolution and socialist construction;" (2) "The only correct way to study Marxism is to use Mao Tse-tung's ideology as guidance and Mao Tse-tung's works as the key...The yardstick to judge whether any individual is a genuine Marxist is his comprehension of Mao Tse-tung's ideology;" and (3) "The general line of socialist construction, the great leap forward and the people's communes are great products of the ideology of Chairman Mao and...are important contributions to Marxism-Leninism."

Of particular interest were the new claims advanced at this time (in a 25 February People's Daily article)

*A graphic illustration of this is to be found in the following message from a national workers conference to Chairman Mao in November 1959: "Dear and respected Chairman Mao: You are to us a bright sun. You give us zeal and a bright future. You are a guide to victory. With you we can go ahead at full speed...Whenever we think of you, our confidence rises and we are full of vigor, making it possible for us to overcome all difficulties and achieve anything. How happy and proud we are to live in this great Mao Tse-tung era."

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for Mao's creative development of the Marxist-Leninist theory of socialist construction. For the first time, the Chinese leader was credited with discovering a number of principles underlying the "high-speed expansion of socialist construction," especially his "discovery" that the human factor ("subjective initiative") outweighed the material factor in the production process and that political indoctrination was more important than material incentives in increasing production. ("The placing of 'politics in command' is first, while material incentives can only occupy a secondary position.") As is now well known, this domestic campaign depicting Mao Tse-tung as the rightful successor to Marx and Lenin was transformed into a direct challenge to Soviet ideological and political leadership of the international Communist movement with the publication of the Lenin Anniversary pronouncements on the building of Communism and world Communist strategy in April 1960.

Almost lost in this adulation of Mao's genius was the fact that he had called for what appeared to be a significant shift in Communist China's economic development policy at the Lushan party plenum in August 1959. It was at this time, according to subsequent reports, that "Comrade Mao Tse-tung fully summed up the entire experience of our economic work from 1949 to 1959 and put forward the more specific policy of developing the national economy on the foundation of agriculture." It was also at this time that Mao proposed the establishment of a Ministry of Agricultural Machinery as a first step in implementing his pronouncements (the previous May) that "the fundamental way out for agriculture lies in mechanization" and that "counting from 1959, we should achieve a small-scale solution in four years, a medium scale solution in seven years, and a large-scale solution in ten years." Since these are major elements in Communist China's current economic development program (the time-span for achieving mechanization has been extended from 10 years to 20 to 25 years), it is of some importance to discuss the origins and implications of this apparent policy change in the fall of 1959.

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Of first importance, this new policy appeared to be a clear admission that the labor-intensive "militarized production" approach of the people's commune had failed to solve Communist China's agricultural problem. Consequently, it was necessary to suppress this admission in the first months following Lushan when the top leadership was engaged in a furious defense of the commune program. It was not till late October that Chu Teh (who a year earlier had signaled the initial retreat in China's commune and "great leap forward" programs) revealed to a national workers conference that "for a country like China which has a huge population and a vast land area, agriculture is the basis for developing the national economy" and Li Fu-chun (the regime's top economic planner) called for arranging the 1960 national economic plan "in the order of agriculture, light industry and heavy industry." It was also Li Fu-chun who (in the spring of 1960) announced the authoritative version of the new policy guideline which persists to the present day--"Agriculture is the foundation and industry the leading factor of the national economy."*

The immediate effect of Mao Tse-tung's new policy directive was to arouse confusion in the minds of party officials entrusted with explaining its significance to the rank and file. If it appeared to have any significance, it was, as a number of provincial newspapers emphasized in the spring of 1960, that now "agriculture should be put in the position of first importance" in China's development policy. On the other hand, as all the authoritative expositions were quick to point out,

*It is interesting to note that the Chinese Communists derived this formulation from an obscure passage in a work by Stalin written in 1928 and then proceeded, characteristically, to hail it as a "new theory" of Mao Tse-tung "conspicuous by its absence in the classical Marxist-Leninist works." For this amusing exercise in sophistry, see the article by Teng To entitled "Agriculture Is the Foundation for the Development of China's National Economy" in New Construction, 7 February 1960.

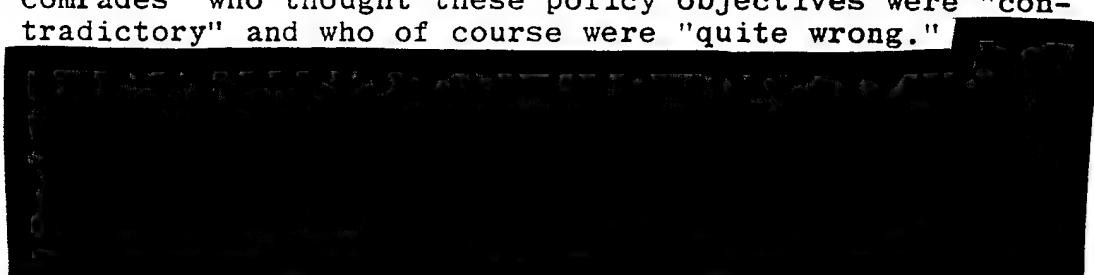
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the new policy still called for "giving priority to the development of heavy industry." There were numerous references in published discussions at this time to "some comrades" who thought these policy objectives were "contradictory" and who of course were "quite wrong."



The basic cause of confusion, of course, was that this new policy orientation was more apparent than real. Instead of signifying a major shift in resource allocation toward agricultural development, it was more a statement of aspiration reflecting Mao's conclusion (originally revealed in mid-1955 and revived in the spring of 1959) that the long-term solution to China's agricultural problem lay in mechanization. The short-term solution, as the 7 August 1959 People's Daily editorial emphasized, was to revive "all methods of leadership proven effective in the course of the 1958 great leap forward," methods designed to "activate the enthusiasm of the broad masses for labor."

2. Revival of the "Great Leap Forward"

The first step in reviving the "leap forward" approach to economic development in the fall of 1959 was to launch a nation-wide rectification campaign to purge the party of "right opportunist" (i.e. conservative) thoughts, identified in the Lushan plenum communique as "the principal danger now facing the achievement of a continued leap forward this year." Once more the criterion of political loyalty and personal survival within the party was unquestioning acceptance of the new "leap forward" goals advanced for China's revised 1959 economic plan, especially the targets calling for a 50 percent increase in steel and 10 percent increases in grain and cotton production. Once dissident elements within the

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party had been purged, a fierce "socialist education" campaign was then unleashed to goad the masses to greater production efforts in order to fulfill these ambitious goals.

The next step was once again the subordination of statistics to political ends, a development revealed with surprising candor by the newly-appointed Director of the State Statistical Bureau in November when he asserted that statistics "must reflect and eulogize the great victory of the party's general line of socialist construction." In keeping with this apparently deliberate policy of statistical falsification, the Chinese Communists shortly thereafter announced that, despite the worst natural calamities in several decades, grain production in 1959 had reached 275 million tons, exactly fulfilling the "leap forward" goal of a 10 percent increase predicted at Lushan.*

The third step was revival of the "short-cut" strategy to agricultural abundance, mechanization and industrialization which had been such a prominent feature of the "great leap forward" in 1958. Faced with a continued critical scarcity of arable land, machinery and chemical fertilizer, it was necessary to revive Mao's "eight point charter" of intensive land cultivation in order to sustain the "leap forward" in agricultural production. For example, the 1960 cotton production plan was to be realized by converting some 40 percent of total cotton acreage into "high yield" tracts producing 50 percent more than average cotton fields, the higher yields to be achieved through such technical innovations as deep-plowing and through the application of more water and fertilizer. To prepare for this upsurge in agricultural

*Actual grain production that year, as Chinese Communist spokesmen have subsequently admitted, was on the order of 160 million tons or 40 percent less than the amount claimed.

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production, the peasants were once again mobilized on a massive scale to undertake water conservancy construction and fertilizer accumulation in the winter of 1959. By December, this huge labor army totaled 70 million, with party cadres directed to pay "primary attention to political and ideological work" in stimulating peasant work enthusiasm. Still another indication of "leaping progress" in agricultural development at this time was a secret report (approved by the party central committee) of a national agricultural science research work conference which hailed the "extraordinary results" achieved in the cross-fertilization of crop species (e.g. paddy rice with corn) and the cross-breeding of livestock species (e.g. cows with pigs, cows with sheep and sheep with pigs)!

The new "short-cut" strategy in the related field of agricultural modernization was exemplified in two ways. First was the launching of a massive hog-raising campaign under the personal direction of Chairman Mao, with the rural communes directed to achieve a 35 percent increase in the single year of 1960. Although numerous benefits were expected to accrue from this new mass campaign, the principal objective was to compensate for the meager supply of chemical fertilizer. As Li Fu-chun put it in January 1960, each hog was to be regarded as "a small organic fertilizer factory."

Next was the unfolding of a mass technical innovation and technical revolution movement designed to speed up the mechanization of agriculture. In keeping with the slogan "walking on two legs" (paying equal attention to modern and "native" methods in design and production), the crowning achievement of this campaign was the invention of a rice-transplanting machine which could be manufactured by commune industrial units employing "native" iron and steel. Although the 15 April 1960 People's Daily editorial announced that 4.5 million of these would be produced and put into operation on 70 percent of China's paddy rice fields in 1960, this wondrous invention was merely the latest in a series of ill-fated experiments (the most notable being the towing-cable machine which had appeared in 1958) in search of a "short-cut" to agricultural mechanization.

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As in agricultural production and modernization, it was necessary to revive the slogan of "walking on two legs" in order to sustain the continued "leap forward" in industry. After the disastrous "backyard" iron and steel production campaign in 1958, the Chinese Communists claimed to have transformed thousands of these primitive native installations into "small modern enterprises" accounting for one-half and one-third of the respective national totals of pig iron and steel production in 1959 and for even larger proportions in the 1960 plan. However, an Indian iron and steel technical delegation visiting China in May 1959 concluded that the output of these newly-modernized blast furnaces and steel converters was only slightly better than that of their "native" predecessors. This conclusion is reinforced by the strange tale of the "Ultra-Sonics Campaign" [redacted]

[redacted] was launched in the latter half of 1959 as a desperation measure to improve the quality of steel produced in these smelters.* It is also reinforced by the admission of a Chinese Communist official in October 1962 that nearly one-third of the 20 million tons of steel production claimed in 1960 was of "inferior" (i.e. unusable) quality.

3. Revival of the People's Commune

Equally striking evidence of the purblindness of the Chinese Communist leadership was the decision to revive a number of the features and goals of the original commune program. Having conceded in the Lushan plenum resolution that the communes had suffered from "over-centralization, equalitarianism and extravagance," the

*This nation-wide drive to equip small steel installations with ultra-sonic whistles would be singled out by Chou En-lai in March 1962 as one of a number of blunders committed during the "great leap forward" period.

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Peiping regime then proceeded to promote these same tendencies in the winter and spring of 1959-60. It is interesting to note, moreover, that certain of the methods employed to reactivate the communes at this time have recently reappeared in Communist China's rural development program.

The most important method was the launching of successive, violent political-ideological campaigns designed to restore commune collective controls in the countryside which had been seriously eroded in the first half of 1959. These campaigns (rectification, "socialist education," and a new "three anti's" drive against corruption, waste and bureaucratism) were merged by central committee directive in the spring of 1960 into a concerted drive to purge the party's basic level organizations of "bad elements" guilty of "serious errors" in implementing the commune program.

[REDACTED]

Once these "rightist opportunists" and other bad elements had been removed from the party's rural leadership, the way was clear to re-establish a number of the original features of the commune system.

First was a nation-wide drive to restore the commune messhalls and thus control the distribution and consumption of foodstuffs in the countryside.* Even more objectionable to the peasants was the related decision once again to coerce individual commune members into surrendering their "private plots," this time turning them over to the messhalls for the cultivation of vegetables and other supplementary foodstuffs. In still another

*In some provinces, as many as 50 percent of these had collapsed in the spring of 1959.

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measure to ensure adequate food for the messhalls, commune production brigades were directed in the spring of 1960 to assume centralized control over the stockpiling and distribution of grain supplies which the lower-level production teams in many cases had been "concealing for secret distribution" to their members.

The movement toward greater centralization extended into the upper levels of the commune structure as well. It was Li Ching-chuan (politburo member and presently first secretary of the Southwest China regional party bureau) who revealed in a 16 October 1959 Red Flag article that the regime still adhered to the original timetable calling for all-people (i.e. state) ownership over all the means of production and output of the communes within a period of three to six years. The first step in this process was to assist the poorer production brigades "to catch up" within individual communes by, among other things, allocating to them funds and materials contributed by the better-off production brigades. It was at this point that the phenomenon of "equalitarianism" or "leveling" once more became wide-spread, prompting the complaints (reported in a number of provincial papers in the spring of 1960) that the "advanced are at a disadvantage" and that many production brigades accordingly were "deliberately understating output."

The final example of Chinese Communist resolve to revive the original commune program was Li Fu-chun's announcement in March 1960 that "now all the cities are setting up people's communes in a big way." It is still almost incomprehensible that the Chinese Communist leadership should have attempted to restore the urban commune which had proved so impractical and unpopular in the initial period of experimentation in the fall of 1958. As with the original decision, it appears that ideological and political considerations once again were prime factors in this short-lived effort to revive Communist China's urban commune program in the spring of 1960.

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4. The Chinese Challenge

With the publication of the polemical Lenin Anniversary pronouncements in April 1960, the Chinese Communists issued an unmistakable challenge to Soviet ideological and political leadership of the international Communist movement. Since this was to lead directly to the withdrawal of Soviet technicians, with disastrous consequences for Communist China's domestic development program, it is important to discuss briefly the circumstances surrounding this momentous decision.

As an initial observation, it appears that subsequent Chinese explanations of the origins of the Lenin Anniversary articles are substantially correct. According to these explanations (appearing for example in the 6 September 1963 Chinese party statement entitled "The Origin and Development of the Differences Between the Leadership of the CPSU and Ourselves"), it was Khrushchev's initiation of a series of "virulent attacks on the domestic and foreign policies of the CCP" in the fall of 1959, thus "bringing the differences between China and the Soviet Union into the open before the whole world," which prompted the Chinese to speak out "in defense of Marxism-Leninism."

The immediate cause appears to have been Khrushchev's performance at a Warsaw Pact conference in February 1960 when the Soviet leader charged Peiping with "adventurism" in both foreign and domestic policy and, in a supreme insult, referred (indirectly but unmistakably) to Mao Tsetung as "an old and insensitive man who, like a pair of worn slippers, should be thrown into a corner." [redacted]

the Lenin Anniversary articles discussed at some length the motives (hostile) and consequences (minor) of the "anti-Chinese campaigns" incited by the imperialists, reactionaries, and, by implication, modern revisionists.

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More speculatively, there is reason to believe that the moderate grouping within the Chinese Communist leadership continued at this time to advocate restraint in the face of these "anti-Chinese" campaigns. It is obvious that this was one of the "scores of times," as the 6 September 1963 Chinese statement subsequently admitted, when "confronted with...the errors of the CPSU leadership... our party...considered: What should we do?" Although nothing is known of the secret party deliberations at this juncture, Premier Chou En-lai (as the principal figure in this moderate grouping) had continued in public statements throughout preceding months to place greater emphasis than his colleagues on the value of Soviet experience and aid. And in a speech just weeks before the Lenin Anniversary declaration, the influential South China regional party leader Tao Chu had called both for "strengthening mutual assistance and cooperation" with the Soviet Union as a prerequisite for accelerating China's economic development and for "making our utterances and actions beneficial to international solidarity."

Finally, there is reason to believe that the dominant leaders of the CCP did not in fact foresee the full consequences of their challenge to the Soviet leadership. By characterizing their April declaration of revolutionary principles as "a policy of both unity and struggle," they appeared to believe that they could retain the benefits of "unity" with, and at the same time carry out "struggle" against, the Soviet Union. It was this doctrinaire view (no doubt another expression of Chairman Mao's dialectical approach to major policy problems) which Edgar Snow, reporting on his conversations with top Chinese leaders in the fall of 1960, would describe as "exhibiting a degree of naivete" in Communist China's conduct of relations with the Soviet Union. More to the point, Snow also reported that the Chinese Communists were "hurt and surprised" by the Soviet withdrawal of technicians in the summer of 1960. And, as additional evidence, the CCP letter of 1 August 1960 (replying to the CPSU notice of withdrawal) expressed "astonishment" over the Soviet decision, protested that it would "create difficulties and harm socialist construction," and requested "reconsideration."

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As is now well known, the last act in the series of events leading up to Soviet withdrawal was played out at the Bucharest Conference in June. It was here that the Soviets circulated a long letter denouncing the Chinese and threatening to reduce aid unless the CCP backed down. It was also here that Khrushchev attacked Mao for being as vain and isolated from reality as Stalin had been. When the Chinese responded in kind, including a personal attack on Khrushchev as having "betrayed" Marxism-Leninism, the moment of truth had arrived. With the mass exodus of Soviet technicians in August, the Chinese Communists were left to cope unaided with perennially difficult economic problems suddenly grown much larger.

B. The Prolonged and Painful Retreat (August 1960 - July 1962)

It should not be held that we have completely understood the objective laws governing the cause of building socialism in our country....There are still many objective laws governing work in many fields that are not understood or not fully understood by some of our comrades.

--"March Forward Under the Great Banner of the General Line," Red Flag Editorial, 1 January 1961

Chou En-lai blamed the plight of China's economy on cadre shortcomings... particularly the false reporting of achievements to higher authorities. As a result the central committee had 'lost its way'...and made grave errors in regard to agriculture and light industry.

--Refugee report on a speech by Premier Chou En-lai in May or June 1962

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The combined effect of successive bad harvests and the Soviet decision to withdraw technicians in the summer of 1960 dealt Communist China's "great leap forward" program of economic development a shattering blow. Confronted with the threat of economic and political collapse, the Peiping regime responded with a series of urgent corrective measures in the winter of 1960-1961 and then, reluctantly and painfully, with even more drastic remedies in a period of further retreat extending from mid-1961 to mid-1962. The record of this two year period of protracted and painful retreat is of fundamental importance in assessing the extent to which Mao Tse-tung and his lieutenants have learned the lessons of failure of their "leap forward" approach to economic development.

As might be expected, there appeared to be continuing controversy throughout this period over the proper response to Soviet economic pressures. Alternating between defiance and at least tactical accommodation, the varying character of this response appeared to reflect fluctuating assessments of the gravity of China's domestic crisis. Moreover, the initial leadership unity engendered by the threat to national survival throughout this period appeared to break down in a dispute over policy issues in the winter of 1961-1962 (thus tending to confirm the recent Soviet allegation that "some Chinese Communist leaders" had "desperately resisted" the prolonged retreat in Communist China's domestic policy). It is to an examination of this highly significant period, the backdrop to current domestic development programs, that we now turn.

1. The Initial Retreat (August 1960 - June 1961)

We ought to expect more political troubles and incidents in 1961, especially the first half, than in any previous year...
/We must ensure that the armed forces do not get out of hand.

--Minister of National Defense Lin Piao,
January 1961

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Although each of us does whatever he can, what is decisive for all of us is naturally the help we receive from the Soviet Union.

--Statement by Vice Premier Chen I to Hungarian newsmen, March 1961

a. Defiant Optimism

As noted above, the immediate Chinese Communist response to the Soviet notice of withdrawal of technicians was to request "reconsideration." Apparently anticipating a negative reply, this was followed by the publication in the 13 August issue of People's Daily of an editorial breathing defiance against those who "call us fools who do not know our limitations" and deriding those who would "have us merely stretch out our hands for aid."* This note of righteous indignation and intransigence would dominate policy discussion throughout the fall of 1960, during which time the Chinese would engage in bitter polemics with the Soviet leadership in Moscow and take the first steps in coping with the economic crisis at home.

*Keeping in mind the caveat that he may well have expected his remarks to be transmitted to United States officials, it is still noteworthy that Chou En-lai is reliably reported to have told Edgar Snow as late as October 1960 that the Chinese Communists foresaw no changes whatsoever in their military alliance with the Soviets and that far from allowing it to decrease, the Chinese Communists intended to strengthen it wherever possible. Then, in a statement which contrasts sharply with that of the editorial noted above, Chou added: "This is one area in which we are fully prepared to make any concessions that are asked of us and where we would be fully prepared to beg for assistance if that were to be required of us."

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The first authoritative statement of party policy reflecting these new developments was an article by Li Fu-chun in the 16 August issue of Red Flag. After heatedly attacking the "modern revisionists" (i.e. the Soviets) for "attempting to isolate us and undermine our great cause of socialist construction," Li revealed Peiping's decision to "rely primarily on our own efforts" and only "secondarily seek the greatest possible help from abroad."* Li also revealed a number of specific measures for implementing this newly proclaimed policy of self-reliance, including the reallocation of manpower to concentrate on agricultural production, the cutting back of investment, the strengthening of centralized controls over the economy, and a new rectification campaign designed to impress on all party cadres the absolute necessity of "seeking truth in facts." After admitting that "we have to a certain extent acted blindly in our practical work," Li concluded this major policy statement with the defiant assertion that "we will and can bring about a continuous leap forward in our national economy."

Bearing out the view that the Chinese Communists were concerned but not overly apprehensive about their economic prospects in the fall of 1960 was the lengthy interview granted to Edgar Snow by Mao Tse-tung in October. Even allowing for a high propaganda content in this off-the-record interview, it is clear that Mao at this stage was still firmly convinced of the correctness of his economic policies. Although admitting the existence of a food shortage (but not starvation) and deplored the consequences of "unbalanced effort or hasty decisions" in a country of 700 million people, Mao reaffirmed his conviction that "the Chinese people were China's greatest resource since they were available for transforming the country without capital outlay." (Underlining supplied) In keeping with this simplistic view (which might

*This formulation has an oddly defensive ring, as if anticipating charges that the dominant leaders of the CCP had underestimated the value of Soviet assistance.

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be characterized as the central tenet of Communist China's "leap forward" approach to economic development), Snow noted with amusement that the Chinese leader then proceeded "to discuss China's internal economic, industrial and agricultural problems very much in the same way he once expounded his concepts of guerrilla warfare."

In other developments throughout October and early November, Communist China's leadership displayed growing concern but unshaken confidence in their ability to surmount their new economic difficulties. In celebrating National Day on 1 October, the regime claimed a "continued leap forward" in industry and a "great victory in combatting natural calamities" (which were however the "most serious since the founding of the CPR.") [REDACTED] Addressing itself to the mounting food shortage, the regime reduced the already inadequate level of grain rations by about 10 percent; halted all non-essential work programs to conserve human energies; and assigned increased priority to agriculture for manpower and materials. Most striking of all was the decision at a high-level party meeting in October to undertake a fundamental retreat in China's rural commune program,

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No hint of this policy retreat was revealed, of course, in the polemical exchanges between the Chinese and Soviet party delegations to the October preparatory meeting and November international Communist conference in Moscow. Adopting a position of intransigence in these exchanges (which have been fully reported elsewhere), the Chinese Communist representatives not only defended their commune and "great leap forward" programs but also charged (in talks with other party delegations) that Soviet failure to provide adequate economic assistance had compelled China to adopt certain features of these programs (e.g. the experiment with small-scale iron and steel metallurgy).

Defiance was also the keynote of a surprisingly candid interview given to Japanese newsmen by Vice Premier Chen I on 21 November in Peiping. Noting that he spoke on behalf of the party central committee, Chen stressed that the Chinese brand of Communism was equally as valid as Soviet communism; denigrated the value of Soviet aid

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to China's industrialization; depicted China's policy of self-reliance in economic development as essential for political independence; and portrayed China's distinctive commune and industrialization programs (with some qualifications) as generally applicable to other underdeveloped countries. Of particular interest was Chen's prediction that, following a year of readjustment to cope with natural calamities and other difficulties, Communist China would resume its "leap forward" in economic development in 1962.

b. Dissidence and Disorder

Following this optimistic assessment, Peiping's view of its domestic problems suddenly changed to one of alarm. Although indications of this alarm began to appear in published discussions at this time (particularly the communique issued after the Ninth Plenum of the central committee in mid-January),



The basic cause for alarm was the sudden outbreak of large-scale dissidence in several calamity-stricken provinces in October and November 1960, particularly in Honan and Shantung. The popular uprisings in Honan were especially serious, engulfing the entire province and far surpassing the ability of loyal militia units to maintain order. Indeed, many of the militia units joined in the revolt, paralyzing local administration and carrying out "counter-revolutionary" revenge by killing party officials.

Faced with the possibility of additional, even more dangerous disturbances elsewhere, the Chinese Communists had ample cause for alarm over internal security

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in the country as a whole■ and particularly in the armed forces which would have to suppress these dissidents. Reflecting this sense of alarm, Minister of National Defense Lin Piao warned in January that "we ought to expect more political troubles and incidents in 1961, especially the first half, than in any previous year" and called for extraordinary measures "to ensure that the armed forces do not get out of hand."

Going a step further, the basic cause of these popular uprisings was, of course, the severe shortage of food reaching famine proportions in the disaster areas of East and North China. Although Communist China's leaders indignantly denied the existence of famine, there is abundant evidence from diverse sources of widespread outbreaks of malnutrition diseases (particularly edema and hepatitis) and of a resulting sharp jump in the mortality rate at this time. Confirming Chou En-lai's admission in February that "living conditions were critical."

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over, Mao Tse-tung himself would suggest (unwittingly, in a discussion of Communist China's population problem with Field Marshal Montgomery the following October) that the total of these "unnatural deaths" exceeded five million in 1960-61.

When finally aware of the magnitude of the political and economic crisis confronting them, Communist China's leadership reacted promptly with a series of urgent corrective measures. Of first importance was to ensure the continued loyalty of the People's Liberation Army during this time of national emergency. This was accomplished

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by immediately increasing army rations, giving preferential treatment to the families of servicemen, and instituting an army-wide investigation of the causes and scope of discontent combined with an intensive indoctrination campaign designed to assuage this discontent.

Next were emergency actions to cope with the acute food shortage which would reach its most critical point in the spring of 1961. Internally, these included halting all non-essential work programs; raising state purchase prices of grain by 10 to 20 percent; encouraging the cultivation of quick-growing catch crops on "private plots" wherever possible; exhausting national reserves of grain for emergency distribution; and mobilizing trained and student medical personnel to go to the countryside to treat the most serious malnutrition diseases. Externally, all food exports were halted and limited foreign exchange holdings were depleted to rush some two million tons of food imports by May and June of 1961.

c. Rationale for Failure

Together with the inauguration of these urgent relief measures, the Peiping regime was equally concerned with devising a rationale for the disastrous results of Communist China's "great leap forward" in economic development. According to time-honored practice, it was necessary to identify and to sacrifice upon the altar of Chairman Mao's infallibility a number of the party faithful whose only crime was, perhaps, an excess of zeal in implementing policies emanating from Peiping. Since public confidence in party leadership is a prime requisite for Communist China's current domestic development program, it is of some importance to understand Peiping's concerted effort in the winter of 1960-61 to extricate Mao Tse-tung and the central committee from major responsibility for the "great leap forward" debacle.

Although assigning a major share of responsibility to natural calamities (now described as the worst in a hundred years), natural phenomena alone could not explain

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the collapse of both political and economic controls in the disaster areas of North and East China. Since party policies were by definition correct, it followed that these policies (in the language of the Ninth Plenum communique of 20 January 1961) had been "sabotaged" by "bad elements, that is, landlord and bourgeois elements" among the party's rural cadres and that accordingly these "bad elements" would have to be "purged" in a nation-wide "rectification campaign." [REDACTED]

[REDACTED] this announcement signaled the start of a fierce campaign of blood-letting in which many party cadres in disaster-stricken "rotten areas" were literally sacrificed as scapegoats, with the masses exhorted to direct their sense of vengeance against these "class enemies."

In less seriously affected areas, cadre responsibility took the less reprehensible form of errors and defects in the implementation of "correct" party policies.* Comprising the heart of Communist China's rationale for mistakes in the "great leap forward" and commune programs, this general indictment of rural cadre work style in the rectification campaign of spring 1961 deserves further discussion.

The first of these cadre errors, classified in typical Chinese fashion as the "five styles" or "five winds",** was that of exhibiting the "Communist style" of work.*** This was a general epithet applicable to

*The masses were directed in this rectification campaign to distinguish between "bad persons doing bad things" (i.e. class enemies) and "good persons doing mistaken things" (i.e. the average rural cadre).

**These same "five styles" would be featured in an important secret speech by Chou En-lai in mid-1962 blaming the plight of China's economy on cadre shortcomings.

***As employed here, the term "Communist style" was of course an ironical expression.

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cadres at all levels who had sought to carry out the party's decision in the fall of 1959 to revive a number of the features and goals of the original commune program. As noted in the preceding section of this paper, this attempted revival had produced the very same phenomena of "over-centralization, equalitarianism and waste" which had characterized China's initial experiment with communes in 1958. Clearly the responsibility for repeating these errors could not be ascribed to Mao and the party center.

In order to refute the wide-spread (and well-founded) belief that the "Communist style" had originated in the central committee, the Chinese Communists launched a new phase of the rural rectification campaign in May 1961 centering on study of the "Draft Sixty Regulations for Work in Rural People's Communes" (essentially an amplification of the twelve-point directive of November 1960). Simply put, the strategy was to rewrite the history of the commune movement, suppressing party directives during periods of rapid advance and stressing those issued during the period of retreat in the spring of 1959. [REDACTED]

[REDACTED] the objective was to make rural cadres understand "that Comrade Mao Tse-tung early in the spring of 1959 had already brought forth the basic spirit of the 'Draft Sixty Regulations';" that "the party central committee and Comrade Mao Tse-tung had all along made clear and correct directives;" and that "the party central committee is not wrong, but rather the thinking of rural cadres is confused."

Next in the catalogue of serious cadre errors was the "empty boasting style." Whereas the "Communist style" was blamed for the excesses of the commune program, the "empty boasting style" was held largely responsible for the failure of the "great leap forward." The standard explanation, both then and later, was as follows: overzealous local cadres had reported false achievements (especially exaggerated harvest figures) to higher authorities, causing them to draw up unrealistic plans and (in the more extreme formulation which would be advanced by Chou En-lai in mid-1962) causing the central committee "to lose its way." To answer the charge that "the empty

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boasting style was forced out from above," rural cadres were ordered to read Chairman Mao's circular party letter in May 1959 in which the Chinese leader had conceded "exaggeration" in "great leap forward" production targets, alluded to "excesses" in the commune program, and in effect apologized to basic-level rural cadres for having been subjected by their superiors to "the curses and complaints" of the peasants.

[redacted] local cadre reaction (no doubt the intended one) to this letter was to shift the blame for failure in China's domestic development programs to middle-level (i.e. provincial level) officials who had distorted the correct policies of Mao and the party center.

The third of the "five styles" was "blind management of production" at the commune level. It was this defect which had undermined Chairman Mao's "eight point charter" featuring deep-plowing and close-planting as the means for achieving a technological breakthrough in agricultural production.* The remedy of course was not abolition of the "eight point charter" but rather a new spirit of interpretation ("seeking truth from facts") and a new method of implementation ("flexibly according to local conditions"). And with the enumeration of the "special class style" (claiming favored status and benefits) and the "command style" (coercing the peasants), the regime's bill of particulars charging basic level cadres with major responsibility for policy failures was complete.

The dimensions of Communist China's crisis in the winter of 1960-61 were so great, however, that scapegoats in the upper echelon of the party were also required.

[redacted] it was necessary

*It will be recalled that Mao, on the assumption that such a breakthrough had actually been achieved, predicted in 1958 that Communist China would double grain production not only in 1958 but also in 1959.

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to demonstrate that Chairman Mao and the central committee, once apprised of the gravity of the situation, had taken many timely measures, [REDACTED]

[REDACTED] The most notable casualties were party first secretaries in the disaster-stricken provinces of Shantung, Honan, Kansu, Kwangsi, and Tsinghai, all of whom were replaced in 1961. In contrast with the punishment meted out to erring functionaries in the countryside (including execution or imprisonment for the "bad elements"), however, most of these have since reappeared in good standing as officials in the party's regional bureaus.

One final category of scapegoats deserves brief mention. Presumably located at the party center, [REDACTED]

[REDACTED] It is likely that these were the same "some comrades" criticized in the 1 January 1961 People's Daily for "not understanding...the objective laws governing the cause of building socialism under the conditions of our country." However, the very vagueness of these references and the fact that no high-level officials meeting this description are known to have been purged suggest that these scapegoats were more fictitious than real, and may in fact have been invented as a further means of diverting responsibility for policy failures from the true culprits, Chairman Mao and the central committee.

According to the propaganda strategy outlined above, Communist China's domestic crisis in the winter of 1960-61 had been caused both by deliberate "sabotage" and by unwitting distortion of "correct" party policies enunciated by Mao Tse-tung and the central committee in the spring of 1959. [REDACTED]

Al-
though the various explanations advanced (e.g. inexperience and defective understanding at lower levels; the vast size and diversity of China's land and population) were hardly convincing, they do suggest the motivation prompting the Chinese Communist leadership to reestablish regional bureaus of the central committee at this time. ■■■

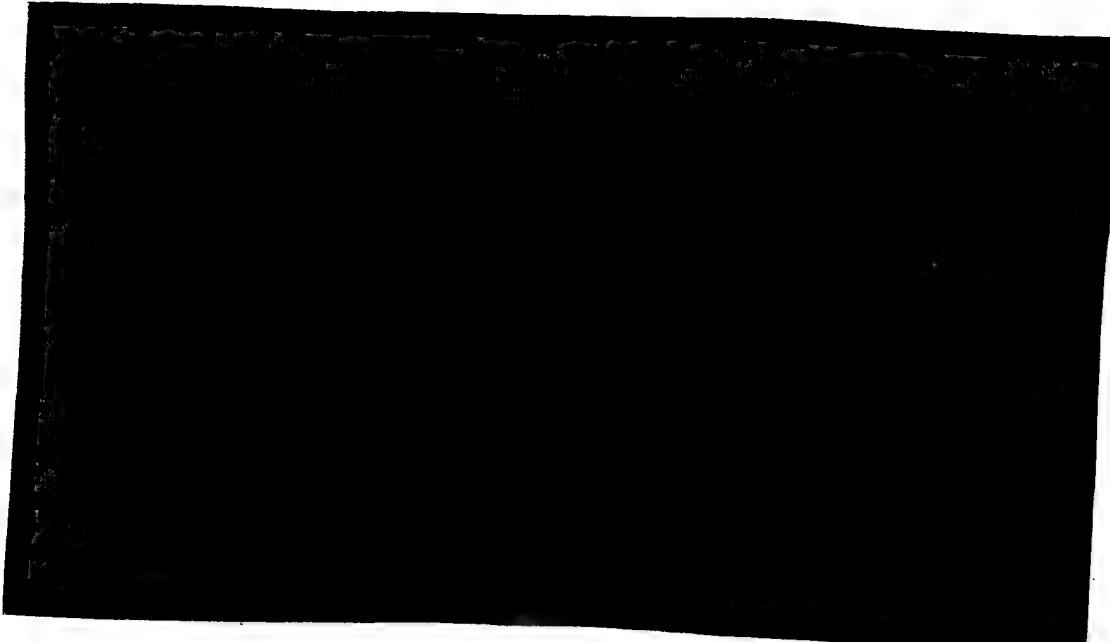
Paradoxically, it appears that this decision to decentralize the party's apparatus was for the purpose of strengthening centralized party controls over the political and economic life of the country. Clearly, something was radically wrong with a political system which had failed to communicate advance warning of the national emergency which suddenly confronted the regime in the winter of 1960-61. Serving both as a mechanism for channelling more accurate information from the provinces to the party center and for supervising the execution of party programs within the provinces, the regional bureaus are believed to play an especially important role in the implementation of economic policy. As Chairman Mao would subsequently admit to Field Marshal Montgomery, decentralization of economic authority had resulted in waste and inefficiency and it had been necessary to reinstitute centralized controls over China's economy.

The decision to establish regional bureaus would have important long-range consequences for the structure of power within the CCP. Of more immediate interest were

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the indications in the fall of 1960 of a shift in the relative position of party leaders. First was the reappearance after long absence of Chen Yun, the party's leading economic expert. As was the case in the winter of 1958-59, Chen's return to relative prominence served both to signal a retreat in domestic policy and to contribute to a display of unity among the top leadership.



Even more striking was the homage paid at this time to Commander in Chief of the PLA Lin Piao.

Whatever the reason for these tributes (possibly a reward for faithful support of Chairman Mao during and since the 1959 crisis in party-military relations), they suggest that Communist China's armed forces exercise a degree of autonomy and authority vis-a-vis the CCP greater than that previously estimated.

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d. Readjustment and Accommodation

In contrast with the glib explanation for past policy failures, the Chinese Communist leadership had no ready solutions for the staggering economic problems confronting the regime when the Ninth Plenum of the Eighth Central Committee convened in January 1961. Rather than enunciating new policies, Chairman Mao at this plenum directed the entire party to carry on "vigorous investigation and research work" throughout the ensuing year. Pending the "clarification of circumstances" and the collection of reliable data, it was possible only to reiterate continued emphasis on agricultural development (especially grain production) and take the first hesitant steps in "readjusting" the industrial sector of the economy badly crippled by the sudden withdrawal of Soviet assistance.

Indeed, enough data were already at hand to demonstrate that the road to economic recovery would be a long and painful one. In a rare policy discussion during this period, Po I-po revealed in a February Red Flag article that, instead of the one-year period of readjustment envisaged by Vice-Premier Chen I the preceding November, the regime now estimated that "two to three years" of readjustment and consolidation were required before China's industry could "leap forward" once again. Other Red Flag articles at this time criticized the small-plant industrialization program (which Chen I had defended two months earlier on both economic and political grounds) and revealed that over ten million urban workers and their dependents would be returned to rural areas to strengthen the agricultural front. In the course of private interviews granted at this time, Chou En-lai and Chen I variously admitted that "living conditions had become critical;" that no solution to China's food shortage was possible in 1961; that heavy industry had been "largely suspended;" and that (in glaring contrast with the January 1960 assertion that China would become a strong industrial power in ten years) it would take thirty to fifty years for China to achieve industrialization.

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As a result of this new appreciation of the gravity of their domestic crisis, the Chinese Communist leadership apparently decided to adopt a policy of at least tactical accommodation toward the Soviet Union following the Moscow conference of Communist parties in November 1960. Indeed, in signing the Moscow declaration of 6 December, the Chinese delegation subscribed to a number of Soviet positions on the building of socialism and Communism, including the Soviet call for better coordination of bloc economies. As an inducement for these concessions,* it is known that the Soviets offered at this time to negotiate a new economic and technical assistance agreement with Communist China.

During the ensuing trade and aid negotiations extending through April 1961, the Peiping regime made a number of additional conciliatory gestures. First was the acknowledgment in the Ninth Plenum resolution that the "great Communist Party of the Soviet Union" occupied a "vanguard" position in the international Communist movement (this formulation had appeared in the Moscow Declaration), an admission of superiority not repeated since. Next was the almost unprecedented appearance of Mao Tsetung and the entire standing committee of the politburo at the Soviet embassy reception commemorating the Sino-Soviet treaty anniversary. Most striking of all was the new importance attached to Soviet aid by Vice Premier Chen I in a March interview with Hungarian newsmen. Whereas the preceding November he had publicly denigrated the value of Soviet aid ("I take exception to the view that but for Soviet aid China's industrial construction would not have developed to the present stage"), Chen now conceded that "although each of us does whatever he can, what is decisive for all of us is naturally the help we receive from the Soviet Union." (Underlining supplied)

*Another concession was Liu Shao-chi's deprecatory reference in Moscow to China's communes as "a kind of experiment for ourselves."

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As is now well known, the "help" which the Chinese had hoped to obtain in these negotiations was not forthcoming. Aside from a minimal sugar loan of forty million dollars, Moscow provided neither grain to help Communist China overcome its critical food shortage nor credits to permit continued deliveries for China's industrial construction program. Shortly after the conclusion of this disappointing trade pact in early April, the Chinese Communists broke their four-month long silence with two pronouncements well calculated to arouse Soviet ire. First was the granting of a \$125,000,000 loan to Albania as a reward for its support in the Sino-Soviet dispute. The second was Mao Tse-tung's gleeful denunciation, following the Bay of Pigs misadventure, of the "Kennedy administration" as "worse, not better, than the Eisenhower administration." By invoking Mao's authority to attack Khrushchev's "peaceful coexistence" strategy, Peiping served notice once again that it would not submit to Soviet economic pressures. As it had begun the preceding August, Communist China's initial period of retreat in domestic policy ended in mid-1961 on a note of defiance.

2. Further Retreat (July 1961 - June 1962)

China's national existence will be threatened unless domestic conflicts are ironed out.

--Mao Tse-tung, Winter 1961-1962 (Statement attributed to Mao by a Chinese Communist defector)

The people in China might respond favorably to attack from hostile forces... /In that eventuality/ the Chinese government would be faced with the most critical problem imaginable.

--Chinese Communist Embassy Briefing, June 1962.

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a. Redefinition and Reappraisal

In contrast with the triumphant celebration of its thirtieth anniversary a decade earlier, the Chinese Communist party could find little to celebrate on the occasion of its fortieth anniversary on 1 July 1961. While continuing to assert the "correctness" of past policies ("strictly derived from objective laws"), party pronouncements centering on Liu Shao-chi's key-note address had almost nothing to say about the future. Rather than providing new domestic policy guidelines, Liu issued a call for all party cadres to participate in a new campaign of study "to understand and grasp the objective laws of China's socialist construction." In the same way that responsibility for past errors had been pinned on the cadres, so were they now assigned responsibility for "deriving from objective reality inherent laws, not imaginary laws, as a guide to action."

In a rare allusion to current policy, the Chinese chief of state revealed that the much-vaunted people's commune (originally conceived as a comprehensive economic, political, military and social unit) had been redefined as an organization "formed by agricultural cooperatives joining together." Even this more modest formulation, taken from the "Draft Sixty Regulations for Work in Rural People's Communes", approved by the central committee in March, would soon be outdated. For it was just at this time (July and August) that the rural commune almost completely disintegrated, far exceeding the line of retreat envisaged in the spring. Following the collapse of the commune messhalls, the reappearance of supply and marketing, handicraft and credit cooperatives signified that Communist China had reverted to the pre-commune pattern of institutions in the countryside. What is more, the retreat did not stop with the large-scale collective farm (averaging some 250 households) which had immediately preceded the commune, but extended all the way back to the small-scale collective farm (averaging 100 households) which had characterized the early stages of China's agricultural cooperative movement.

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Together with the enforced retreat in rural policy, the regime began at this time to implement a series of drastic measures designed to rationalize ("readjust") China's badly crippled industrial sector.*

[REDACTED]

It was also at this time that the party leadership inaugurated a new policy of conciliating China's much-maligned intellectual class, especially scientists and technicians.

[REDACTED]

In the fall of 1961, a number of measures increasing the authority of managers and technicians were introduced into the modern industrial sector to improve production planning and operations. Following a further deterioration in Sino-Soviet relations, this new policy would culminate in March 1962 in a series of speeches delivered by top-level party spokesmen (principally Chou En-lai and Chen I) to national conferences of scientists and writers--speeches in which the party

*These measures were codified in a "Seventy Point Directive for Industry" corresponding with the earlier "Draft Sixty Regulations for Work in Rural People's Communes."

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would apologize for past treatment, pledge greater material benefits and more intellectual freedom in the future, and issue patriotic appeals for the rapid development of an indigenous Chinese scientific and technological capability.

Although largely carried on behind the scenes, these further retreats were reflected in a series of interviews granted Western visitors by Chinese Communist leaders in the fall of 1961. In October, Chen I admitted to Sir Harold Caccia that grave errors had been committed in the economic field because China's planners and experts had been ignored, errors which were now being corrected.* Of much greater importance was a lengthy interview granted to Marshal Montgomery at this time by Mao Tse-tung. As the most recent account of Chairman Mao's views on China's domestic policy problems available to the West, this interview deserves extended discussion.

First, with respect to Communist China's succession problem, Mao stated "emphatically" that he would be succeeded by Liu Shao-chi, adding (in what appears to be a highly significant allusion to incipient factionalism within the Chinese Communist leadership) that "after Liu, 'they' could fight over the leadership." Next Mao admitted that economic decentralization in the period 1958-60 had produced waste and inefficiency ("due to inexperience and bad organization on the lower echelons") and that the government had reverted to centralized controls.

Finally, the Chinese leader indicated that the Peiping regime was undertaking a basic reappraisal of its perennial food/population problem. Mao cited the conclusion of a government survey that, instead of the

*In conversation with another British visitor, Walton Cole, however, the Chinese Vice-Premier was optimistic about future economic development, predicting (on the assumption of good harvests and good progress in economic "readjustment") that China would resume its "leap forward" in 1963.

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normal population increase each year of fifteen million, an annual increase of ten million was "as much as could be safely handled" in Communist China.* Although somewhat vague on the specific means for effecting this fifty percent reduction in annual population growth (a combination of indoctrination and such administrative measures as enforcing later marriages), Mao Tse-tung revealed in this interview a new awareness of the critical nature of China's population problem and at the same time foreshadowed the extensive birth control campaign which would be initiated in 1963.

b. The Soviet Offensive

It was at just this time that Khrushchev decided to launch a new offensive against the Chinese Communists, perhaps believing that three years of agricultural calamities had sapped Peiping's will to resist. As this campaign intensified in the winter of 1961-62, the initial Chinese response of defiance would change to vacillation and then tactical accommodation. Moreover, signs of disunity among the Chinese Communist leadership would appear at a critical point in this new stage of the Sino-Soviet dispute.

As is well known, Khrushchev utilized the Twenty-Second Soviet Party Congress in October 1961 as a vehicle for attacking domestic and bloc opponents, especially Communist China. In essence, the Soviet leader's strategy was (1) to present the new Draft CPSU Party Program (incorporating his basic domestic and foreign policies) for

*As noted earlier, Mao's claim that this reduction had already been achieved in the 1960-61 food year was probably true, but not because of "sensible methods of birth control" as Mao alleged. The real reason was a sharp jump in the mortality rate.

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adoption by the congress; (2) to assert the validity of this program for all bloc countries; (3) to attack all those (the domestic "anti-party group," the Albanian leadership and, by implication, the Chinese Communist leadership) opposing this program as Stalinists; and (4) to call upon all Communist parties to rid themselves of this Stalinist incubus. It was this attempt to extend "de-Stalinization" to encompass the entire bloc, accompanied by intensified diplomatic, political, economic and military pressures, which posed a new crisis in Sino-Soviet relations in the fall and winter of 1961-62.

Although ostensibly directed at tiny Albania, it soon became apparent that the real object of this campaign was Mao Tse-tung, the only significant challenger to Khrushchev's leadership of the international Communist movement. As the Chinese have recently revealed, Khrushchev "expressed undisguised support for anti-party elements in the Chinese Communist party" to Premier Chou En-lai at the time of the Twenty-Second Soviet Party Congress. In November Czech Premier Siroky publicly attacked the Chinese party for "further aggravating the personality cult" (i.e. promoting Stalinist methods and forms of leadership) in recent years. On the occasion of Mao's 68th birthday in December, Pravda reprinted an article by Hungarian party first secretary Kadar which clearly implied that the Chinese leader was suffering from a "senile disorder and observed that "this disorder...in combination with power...can assume a harmful and revolting character."

Soviet Mandarin broadcasts to China in early 1962 depicted the "cult of personality" as a 'disgraceful method of leadership" and as "inflicting great losses on the people;" asserted that "the time for materializing the promises made to the Chinese people by the CCP is near;" stressed the "international obligation for all Communists to overcome the personality cult and its remnants;" and, more directly, called for the "removal" of leaders everywhere who were opposed to Khrushchev's disarmament policy.

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[REDACTED] more recent Chinese polemics have accused the Soviet leadership "on the pretext of 'combating the personality cult' of crudely interfering in the internal affairs of fraternal parties and countries and subverting their leaderships..."

The Soviet campaign against the Chinese leadership reached peak intensity in January 1962. Following a year of sustained economic pressure (Sino-Soviet trade in 1961 had dropped 55 percent below the level of 1959), the Soviet leadership now appeared ready to use virtually all its remaining leverage by threatening in quick succession a "complete organizational break" with the Chinese party and renunciation of the Sino-Soviet military alliance. However, instead of carrying out these ultimate threats, the Soviet party then decided to send a conciliatory letter (discussed below) to the Chinese party on 22 February 1962.

Although apparently taken by surprise by Khrushchev's offensive at the Twenty-Second Party Congress, the Chinese Communist delegation reacted promptly and vigorously. As head of the Chinese delegation, Premier Chou En-lai responded to each of the main lines of Khrushchev's attack, most notably by paying homage to Stalin with a wreath praising the late Soviet dictator as a "great Marxist-Leninist" and by publicly condemning Khrushchev's censure of Albania's leaders as being contrary to a "serious Marxist-Leninist attitude."

[REDACTED] Peiping has recently asserted that Chou on this occasion "frankly criticized the errors of the leadership of the CPSU."

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Although the Chinese Communists were not quite ready to engage in open polemics following the Soviet party congress, they did initiate a nation-wide campaign criticizing Khrushchev and the Soviet Union in private discussion groups organized by party cadres and extending down to the primary school level. The timing and substance of this campaign suggest that it was designed to prepare the Chinese party and people for the possibility of an open break in Sino-Soviet relations and, of equal importance, to provide another scapegoat for China's economic failures. In detailing the case against Khrushchev, the campaign charged the Soviet leader with precipitating China's industrial slowdown (by withdrawing Soviet technicians); with aggravating China's food shortage (by insisting on debt repayment); with attempting to subvert and subdue the CPR (by applying economic pressures); with seeking personal comfort and luxury and encouraging class differences within the Soviet Union; with perpetrating a "dreadful failure" in his "virgin lands" experiment; and with fostering a "cult of personality" of his own. To top it off, the Chinese propagandists heaped personal abuse upon the Soviet leader (employing such epithets as "pig," "donkey," "coward" and "turncoat") and predicted that eventually he would be disowned and overthrown by the Soviet people.

*There is irony in the fact that Premier Chou En-lai--the symbol of moderate forces within the CCP who on previous occasions had appeared to favor Sino-Soviet economic and military cooperation--was forced to play the role of antagonist to Khrushchev at this conference. Since Khrushchev's asking price for normalization of Sino-Soviet relations at this time appeared to be replacement of Mao Tse-tung as leader of the CCP or at least repudiation of Mao's policies, Chou could hardly have responded otherwise.

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c. Retreat in Domestic Policy

A development of equal, if not greater importance, was the appearance at this time of signs of controversy among the Chinese Communist leadership over policy issues, a development reflected in sharp fluctuations in domestic and foreign policy throughout the winter and spring of 1961-62. First was a short-lived but unmistakable revival of a number of ingredients in the "leap forward" approach to domestic development which coincided with the nationwide campaign attacking Khrushchev as the villain responsible for China's economic failures. Next was an interval extending through February and early March in which pronouncements by the regime indicated vacillation and indecision over policy issues, including (presumably) the 22 February Soviet party letter with its implicit, conditional offer to resume economic and military assistance. The resolution of this policy debate would appear in late March and April in the form of a dramatic victory for moderation in domestic policy (featuring the most explicit repudiation of the "great leap forward" yet made) and in the adoption of an avowedly tactical policy of accommodation toward the Soviet Union.

Added to these stresses and strains, the threat of a Chinese Nationalist invasion, the resurgence of Indian military activity along the Tibetan frontier, the large-scale exodus of Chinese refugees from both Kwangtung and Sinkiang, and the outbreak of riots in several areas then produced in May and June the most serious combined foreign and domestic crisis which the Chinese Communist regime had yet faced. Although there is much we still do not know about these developments, it is of fundamental importance to review briefly the record of events and to assess the forces and considerations governing Chinese Communist policy decisions throughout this critical period.

The view from Peiping of Communist China's domestic and foreign policy problems in mid-winter 1961 was far from reassuring. As reported by a Chinese Communist defector, Chairman Mao had said (apparently at about this

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time) that "China's national existence will be threatened unless domestic conflicts are ironed out." This same tone of apprehension was sounded in the 1 January 1962 People's Daily editorial which alluded to a "test of serious difficulties" internally and to "fierce and frightening storms" raging outside the country. Although confronted by these twin dangers, the decision of the regime at this time to adopt a "hard" line incorporating a number of ingredients of the "leap forward" approach to domestic development is all the more striking.

The reappearance of this line dates from early December when three People's Daily editorials suddenly revived long-dormant concepts of the "tremendous revolutionary vigor," the "revolutionary enthusiasm" and the "subjective initiative and creativity" of the masses, and called upon party cadres to "fully mobilize" this enthusiasm for production by carrying out continuous, intensive "ideological and political work." Resurrecting the themes of "bitter struggle," of "revolutionary optimism" and of "summoning up full vigor and aiming high," the regime appeared once again to be resorting to a policy of exhortation in which political and psychological stimuli were being substituted for material incentives as the key to developing production. The concurrent anti-Soviet campaign was clearly intended to serve as one of these stimuli, as revealed in a 10 January 1962 People's Daily article breathing defiance against those countries carrying out blockades ("including a blockade of scientific and technical knowledge") against China and asserting that these "will only make us first 'indignant' and then 'activated' and will only raise our fighting will and make us press forward with courage." As the final ingredient of this new "hard" line, party editorials throughout December and January reiterated the need for strengthening "centralized and unified leadership" over the economy and society of Communist China, and thus prepare the way for a "new leap forward" in China's socialist construction in the future.

With this injunction to strengthen "centralized and unified leadership," the motivation of the Chinese Communist leadership in adopting a "hard" line at a time

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of considerable weakness becomes more intelligible. After nearly two years of continued retreat and concessions in the countryside,* the regime apparently decided that a process of organizational and ideological tightening up was essential to its continued control over the resources and population of China. Apparently convinced that they had reached a major crossroads in domestic policy (the Red Flag New Year's Day editorial declared that "development of our socialist construction is now at a decisive juncture"), the dominant party leaders initiated a series of ideological, organizational and administrative measures in December and January designed to reimpose control over the countryside (especially grain supply) as a prerequisite to generating new momentum in the economy.

According to an editorial appearing in the 12 January 1962 issue of the Canton South China Daily, the phenomenon of peasant refusal to deliver or sell grain to the state had assumed alarming proportions. In a remarkably candid discussion, this party editorial revealed that many peasants still retained the "mentality and habits of small individual producers" and thus were "unwilling to sell farm products to the state." Moreover, rural party cadres had sided with the peasants by "stressing concern for the interests of the peasants but not the interests of the state" and by "stressing economic work but neglecting ideological education." In lieu of

*The most recent concession was the revelation in a 1 January 1962 People's Daily editorial that the small-scale production team (20 to 30 families) now exercised basic ownership within the people's communes, controlling both production and distribution. With this further decentralization of controls, the pattern of rural institutions now resembled that which had existed as early as 1955.

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material incentives in the form of industrial consumer goods,* the editorial called for "an intensive socialist ideological campaign...to heighten the political consciousness and patriotic fervor" of the peasants and persuade them to sell to the state rather than on the "free market." Accompanying this ideological campaign, the Peiping regime issued regulations in December 1961 imposing fixed price ranges on commodities sold on these "free markets." Also suggesting an intent to pursue more vigorous economic policies, there were credible reports that the CCP planned to launch a large-scale increase-production, practice-economy campaign after the Chinese New Year and secure agricultural investment funds by assessing individual production team members in the rural communes.

There is less evidence for making confident judgments about the apparent policy dispute within the Chinese Communist leadership throughout February and early March. That such a dispute existed is strongly suggested by the appearance of a highly equivocal Red Flag editorial on 1 February 1962, an editorial which first argued the case for persisting in a "hard" line (to combat popular apathy, "ideological paralysis" and the "great danger" posed by declining party morale and discipline) and then argued the case for shifting to a "soft" line (to avoid the dangers of "subjectivism" and "bureaucratism," i.e. alienation from reality and the people.) It was also suggested by the almost complete absence of party editorials throughout this period, always a sign of policy flux and indecision. Finally, as perhaps the best indication of disension within the leadership, it was just at this time that Chen Yun (the conservative vice-chairman of the politburo) disappeared and has not been seen since.

*It was just at this time that all previously unrationed consumer goods were placed under a nation-wide system of strict rationing.

Apparently sensing these policy differences within the Chinese Communist leadership, the Soviets dispatched an inter-party letter on 22 February which they have subsequently characterized as "aimed at improving relations with the CCP and CPR along all lines..." Although the contents of this letter have not been revealed, it may be fairly deduced from later Soviet and Chinese commentary that it contained an implicit offer to resume some measure of military and economic assistance subject to certain preconditions. Moreover, it seems clear that the purpose of this letter was to furnish leverage--on the eve of both the Chinese National People's Congress and the conclusion of Sino-Soviet trade talks--for moderate elements in the CCP to use to bring about changes in domestic and foreign policy, especially a change in Chinese policy toward the Soviet Union. It is also fairly certain that the Chinese decision in early March to postpone its congress session for three weeks was for the purpose of holding a high-level party meeting to consider this Soviet proposal and, of equal importance, to resolve the continuing controversy over domestic policy.

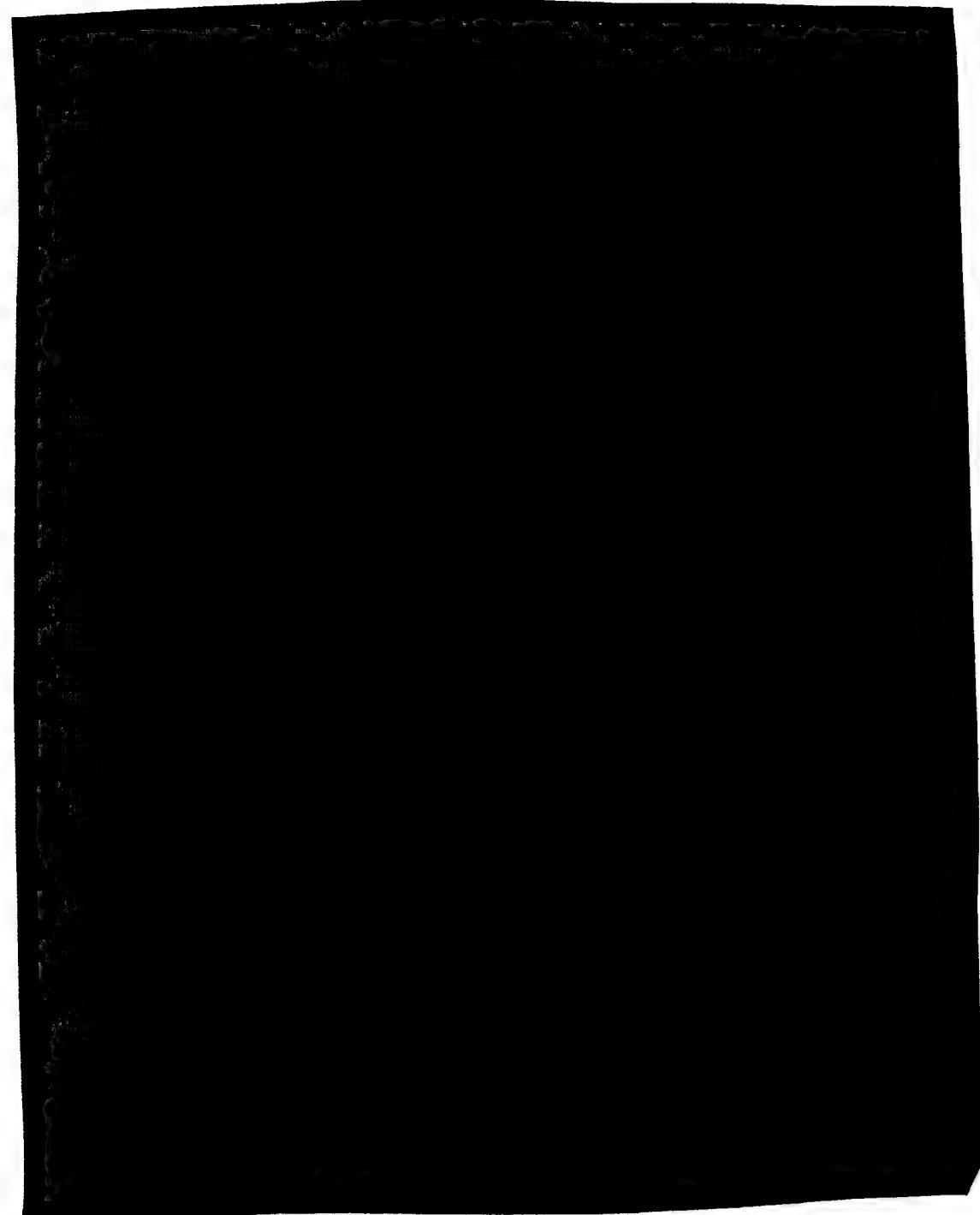
The outcome of this high-level party conclave, as revealed to the National People's Congress when it finally convened on 27 March, was a signal victory for moderation in domestic policy. For the first time, the Chinese Communist leadership felt constrained to admit that it had committed "errors" (indeed, "grave errors") in its "great leap forward" program. This admission was first made indirectly in a curious 29 March People's Daily editorial summarizing four years of water conservancy construction on the Urumchi River, an editorial clearly intended as an allegorical discussion of Communist China's "leap forward" experience in socialist construction. After asserting that the "most basic experience" (i.e. lesson) derived from this work was the need "to proceed steadily and gradually on firm ground," the editorial castigated the "leap forward" (indirectly, of course) as "attempting to do something beyond our capability" and as "a theory of quick victory which results from a desire to get things cheaply and by empty talk..." And then, in a pitiful effort to find doctrinal justification for this embarrassing admission, the editorial concluded by enjoining the

whole nation "to keep firmly in mind...the fundamental principle of Marxism that everything depends on time, place and circumstance."

The first explicit admission that the Chinese Communist regime had committed "mistakes" in its economic development program appeared in the communiqus issued by the National People's Congress and the Chinese People's Political Consultative Conference (held concurrently). Although containing little detail on the nature and extent of these "mistakes," the communiqus and an accompanying 17 April People's Daily editorial did suggest the motivation for this unprecedented admission--that the Chinese Communist leadership had decided in effect to apologize to the long-suffering Chinese people for past errors in order to solicit their understanding and support at a time of national crisis. Regime concern over a possible breakdown of political and social controls was reflected in urgent appeals for "strengthening the great unity of the people" and especially in the revealing statement that "the most important guarantee for completion of our current tasks...is the great unity of various nationalities in our country."

Following "unity," the second major political objective of these congresses was to promote a "democratic spirit" of discussion in which regime spokesmen and delegates alike engaged in "criticism and self-criticism" and in which the delegates were encouraged to advance "numerous suggestions and criticisms...in the spirit of being their own masters..." Indeed, there is a striking parallel between this show of "democracy" in the spring of 1962 and the ill-fated experiment with "liberalization" (the "100 flowers" campaign) five years previously when Mao Tse-tung had called upon the Chinese people to criticize the party and help "rectify errors" committed by the party rank and file. Carrying the analogy a step further, just as the Polish and Hungarian uprisings in the fall of 1956 had prompted this earlier experiment, so was concern over possible uprisings in China now producing a similar period of relaxation and conciliation in Peiping's domestic policy.

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d. Retreat in Foreign Policy

In contrast with this strategic retreat in domestic policy, the Chinese Communist response to the Soviet letter of 22 February was avowedly tactical and temporizing in nature.

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the Peiping regime called a halt to polemics and even made a number of conciliatory gestures in public toward the Soviet Union in the spring and summer of 1962. Although several reports suggest that economic considerations prompted the Chinese to soft-pedal the Sino-Soviet dispute at this time, it is much more likely that the real reason was concern for national security at a time when hostile powers appeared to threaten Communist China on all sides.

The performance of Chinese Communist delegate Mao Tun at the World Peace Congress meeting in Moscow in early July strongly supports this conclusion. Speaking at a time of peak Chinese Communist concern over the possibility of a United States supported Chinese Nationalist invasion, Mao Tun deliberately misconstrued an ambiguous statement by Khrushchev to mean that "the Soviet Union is ready, if necessary, to come to the assistance of the Chinese people." Obviously acting under instructions, the Chinese delegate took great pains in an 8 July press interview

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to "prove" that there were no Sino-Soviet differences over the Taiwan Strait or, for that matter, over any other issues. Most striking of all, Mao went on to make the most laudatory reference to Khrushchev that any Chinese Communist official has made in recent years, referring to the speech of "Nikita Sergeyevich Khrushchev" to the World Peace Congress as "remarkable and profound."

It remains to attempt a preliminary and necessarily tentative assessment of the forces and considerations governing the Chinese Communist decision in the spring of 1962 to undertake the retreats in domestic and foreign policy outlined above.

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there were a number of developments throughout the summer and fall of 1962 suggesting that the Chinese Communist leadership was indeed concerned about the loyalty and reliability of its military forces. Most dramatic of these were indications from diverse sources that the Peiping regime had once more had to contend with a revival of "Peng Te-huai-ism" in the People's Liberation Army, including perhaps insistence on both greater moderation in domestic policy and some measure of accommodation toward the Soviet Union. The evidence for this striking conclusion is briefly as follows:

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convocation of a party congress of the Air Force with unusual publicity a few days later; (3) the unprecedented emphasis on military affairs at the Tenth Plenum of the CCP central committee held later that month, including expulsion of two military leaders from the secretariat of the central committee; and (4) the pointed reference in the central committee communique to the "great historical significance" of the Lushan plenum of August 1959 in "victoriously smashing the attacks by right opportunism" (i.e. Peng Te-huai and his supporters) immediately following a cryptic allusion to "subversion" carried out by foreign and domestic enemies against "our state and party."

e. The Crisis of Nerves

Because of limitations of space, it is possible only to describe briefly the ensuing "crisis of nerves" which afflicted the Chinese Communist leadership in early summer 1962. Added to the threat of serious popular disturbances at a time when the reliability of its armed forces was in doubt, there was (in Peiping's view) the even graver threat of an American-supported Chinese Nationalist invasion at a time when it was not possible to count on Soviet military assistance. As noted above, this combination of dangers posed perhaps the most serious foreign and domestic crisis which the Chinese Communist leadership had yet faced.

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[REDACTED] Moreover, there were clear signs in published reports at this time (e.g. Chen I's 29 May press interview in which the Chinese vice-premier dwelt at length on the "two tests," internal and external, facing his government and felt compelled to deny that "China will soon collapse or split internally...") that the Chinese Communist leadership was worried, even frightened. And when, on top of this, there occurred in quick succession a resurgence of Indian military activity along the Tibetan frontier, a mass exodus of tens of thousands of Chinese refugees into both the USSR and Hong Kong, and an outbreak of rioting in several areas (the best known instance occurring in Canton on 1 June), it appeared that these fears were justified.

It was at this juncture in late June that the United States gave assurances to Peiping through its representative in Warsaw that it would not support a Chinese Nationalist invasion of the mainland "at this time." Within China there were evident the first signs of an improvement in economic and social conditions. The mood of Communist China's top leadership appeared suddenly to change. Within a fortnight they assembled in high-level conclave to adopt a new "hard" line in domestic and foreign policy which has persisted to the present day.

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V. THE CONTROLLED LEAP: THE "GREAT STRIDE FORWARD"
(JULY 1962 - DECEMBER 1963)

The 'great leap forward' approach
to economic development has been abandoned in favor of a more gradual, step-by-step solution.

--Chou En-lai to Japanese Delegation,
November 1962

Our country will certainly make rapid progress provided we work hard.
--Liu Shao-chi to National Conference of Scientists, 26 January 1963

We can certainly secure a greater all-round bumper harvest this year and soon turn our country into a socialist power with modern agriculture, modern industry, modern national defense and modern science and technology...The great stride forward of the Chinese people cannot be resisted by anybody.
(Underlining supplied)

--Ko Ching-shih to East China Conference of Advanced Agricultural Units, 1 February 1963

The Tenth Plenum of the Chinese Communist party eighth central committee convened in Peiping in late September 1962 to approve a series of decisions which have shaped the course of Chinese Communist policy development to the present day. Bearing out Peiping's characterization of this plenary session as of "great historic significance" the decisions adopted at this meeting constitute another fundamental turning point

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in Chinese Communist policy formation. After two years of retreat and accommodation in the face of foreign and domestic pressures, the Peiping regime apparently decided that further retreat was both intolerable and unnecessary and that, conversely, the time had come to take arms against a sea of troubles.

In foreign policy, this precept was applied literally in the decision to launch a major military attack on India in October. Of much greater long-term significance, however, was the decision to initiate an all-out offensive against Moscow in which the stakes were none other than leadership of the international Communist movement. This objective the Chinese Communists have pursued skillfully and with some success during the course of the past 18 months.

By contrast, the record of Chinese Communist domestic policy since the Tenth Plenum presents a picture of uncertainty and confusion which poses formidable problems of interpretation. Compounding the difficulties usually encountered, the following factors make analysis of recent development in Communist China especially hazardous: (1) an abnormally high propaganda content in policy discussion; (2) the ambiguous, shifting nature of policy guidelines; (3) continued disagreement within the leadership over policy issues; (4) disclosures about the scope, duration and character of the "class struggle" campaign adopted at the Tenth Plenum which have only recently come to light; and (5) the marked shift in regime outlook from optimism in the first portion of this period to pessimism in the latter portion in the face of "new problems in socialist construction without ready-made answers."

In keeping with these general observations, this chapter will discuss the most recent phase of Communist China's domestic crisis under three headings: (1) the period surrounding the Tenth Plenum (in which the decisions of this highly important conclave are conceived as a blueprint for domestic and foreign policy development up to the present); (2) the period of the "great stride forward" in the first half of 1963 (in which an abortive attempt is made to translate this blueprint into a viable

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economic development program); and (3) the period of the "three great revolutionary movements" in the last half of 1963 (in which political pressures are intensified as the regime gropes for new solutions to its perennial economic problems.)

A. The Tenth Plenum of the CCP Central Committee
(July-December 1962)

In retrospect, it has become increasingly clear that the three basic policy decisions approved by the Tenth Plenum of the CCP central committee in September 1962--to launch an offensive against the "modern revisionist" leadership of the Soviet Union; to organize a nation-wide "class struggle" campaign; and to initiate a new, independent program of economic development--were closely interrelated and interdependent. Moreover, there is considerable evidence that the common strategy underlying these decisions was provided by Mao Tse-tung who once again emerged after a period of relatively little public activity to dominate the proceedings of the Tenth Plenum and to assume a much more active role in public life.

To illustrate briefly the interdependent nature of these policies, it is obvious that the decision to wage an all-out struggle against Khrushchev would preclude further Soviet assistance and necessitate adopting a policy of "self-reliance" in China's economic development. The close link between the anti-Soviet and "class struggle" campaign was emphasized in the Tenth Plenum communique which conveyed a clear warning that henceforth domestic criticism of party policies would be construed as Soviet-inspired "subversion." The integral relationship between the second and third policies (between the political indoctrination "class struggle" campaign and the new economic development program), however, was not at first apparent and is still only dimly perceived by some Western observers.

But to fail to see this interrelationship is to fail to realize that Communist China's "new" approach to

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socialist construction adopted at the Tenth Plenum was only a modified version of the old "leap forward" approach--that is, it was a reaffirmation and re-expression of the deeply-held conviction by Mao Tse-tung and his principal lieutenants that "politics must take command" over the economy and that political indoctrination, rather than material incentive, is the key to rapid development of Communist China's backward economy. At the same time, this new approach did seek to avoid the excesses and more flagrant mistakes committed during the "great leap forward" era. As will be discussed at greater length below, whether it is possible to reconcile the conflicting requirements of doctrine and party controls, on the one hand, with the requirements of production and economic motivation, on the other--whether in fact it is possible to achieve a "controlled leap" in economic development--is perhaps the central problem in any estimate of China's economic prospects.

As a preliminary to this new "forward march" in socialist construction, however, the Chinese Communist leadership apparently decided to publicize more widely in the latter half of 1962 the "mistakes" of the "great leap forward" which Premier Chou En-lai had first revealed secretly to the National People's Congress in the spring. In a remarkably frank published discussion in early July, Tao Chu (first secretary of the Central-South China regional party bureau) referred to "difficulties, mistakes, and policy failures" which China had experienced in socialist construction. (Underlining supplied) In August the republication of Liu Shao-chi's How To Be a Good Communist was designed in part to explain how cadre errors had transformed "good" central committee policies into "bad" ones by disregarding objective possibilities. ■■■



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From September through November, Chou En-lai, Chen I and other leaders appeared to make a special point of informing foreign diplomats and visitors that "China had made many mistakes;" that China "had learned a lot" and "is still learning from its mistakes;" that "the great leap forward had been a pretty ghastly mistake;" and that the Chinese admit their failures.* But it was at the Tenth Plenum in late September and the celebration of China's National Day in early October that the regime presented the most comprehensive explanation of the nature and causes of these "mistakes."

The first basic mistake of the "great leap forward" era had been to emphasize industrial development at the expense of agriculture, an overemphasis expressed in excessive investment and allocation of manpower to industry. Overemphasis and excessive speed had been particularly true of development of the iron and steel industry, with the result that more than one-third of the 18 million tons of steel produced in 1960 had been of "poor" (i.e. unusable) quality. When combined with three consecutive years of agricultural calamities, it followed that Communist China would now have to adopt a new policy of agricultural orientation ("agriculture the foundation, industry the leading factor") in order to redress or "readjust" the grave imbalance which had developed in the national economy.

*It appears more than coincidental that these admissions of error were made by more moderate leaders within the CCP who had apparently questioned the feasibility of the "great leap forward" from the outset. By contrast, none of the more radical "party-machine" leaders (e.g. Liu Shao-chi, Teng Hsiao-ping, and Tan Chen-lin) has ever been known to criticize the "great leap forward" and people's communes, perhaps because they are still convinced of the validity of these programs.

Another mistake had been the "unreasonable implementation" of the commune program which, although "fundamentally good," had been set up "too quickly and on too large a scale."* Because of cadre errors in the implementation of this program, a similar "readjustment" policy had been carried out for the communes in the years 1960-1962 featuring decentralization of authority to the production teams and the return of "private plots" to the peasants. (One report at this time stated that "private plots" would remain for 30 years.)

Of particular interest was the disclosure at the Tenth Plenum that large numbers of peasants had withdrawn from the communes during this "readjustment" period, reaching the alarming proportion of 20 percent in Anhwei Province. It was clear that strong measures were required to arrest this process of disintegration, measures which would be progressively revealed in the unfolding of the "socialist education," "class struggle" and "five anti's" campaigns in 1963. As usual, the rural cadres would bear the brunt of these campaigns, this time accused of the new "error" of "revisionism."

Turning to the causes of the "mistakes" which had sabotaged the "great leap forward" and commune programs, the new familiar rationale (originating in the rectification campaign of 1961 and repeated at the National People's Congress session in the spring of 1962) was once again advanced--that "leading cadres" (principally provincial party first secretaries) and subordinate cadres

*Three years earlier during the celebration of Communist China's tenth anniversary, the dominant Chinese leaders had attacked those making the very same criticisms of the "great leap forward" and people's communes noted above as "right opportunists." In order to conceal this embarrassing 180-degree shift in party line, the Peiping regime in the fall of 1962 (according to a reliable report) ordered the suppression of all major leadership statements issued on this earlier occasion.

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alike had both misunderstood and misapplied the correct policies of Chairman Mao and the central committee.

A second cause of China's "mistakes" was the sudden Soviet withdrawal of technicians and termination of assistance to Communist China's industrialization program in mid-1960. Although Premier Chou En-lai had stressed this as a contributing factor in his secret speech to the National People's Congress in the spring, Khrushchev was now held to be "primarily responsible" for China's economic difficulties. Thus the groundwork was laid for asserting more and more openly as the anti-Soviet struggle unfolded that the greatest "mistake" of all in Communist China's economic development program had been to rely on the good faith and pledges of a perfidious Soviet ally.

1. The Decision to Launch an Anti-Soviet Struggle

It is still difficult to find an adequate explanation for Communist China's decision in the fall of 1962, at a time of both political isolation and economic weakness, to launch an all-out struggle against the Soviet Union for leadership of the international Communist movement. That such a decision was taken at this time, however, is well documented

On 23 August, Foreign Minister Chen I leveled the first of a series of bitter (if indirect) attacks against the Soviet Union for engaging in "subversion," "sabotage," "vilification" and "invasion" of China.

In an obviously coordinated move, the Albanian party organ Zeri i Popullit on

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13 October for the first time called for a split in the international movement, an open break "however painful it may be," with Khrushchev and all who followed him. One month later, on 15 November, the Chinese Communist party organ People's Daily surfaced the decision of the Tenth Plenum in a definitive editorial drafted, according to one report, on the personal instructions of Mao Tse-tung. Constituting a manifesto of Peiping's claim to supreme doctrinal authority within the international Communist movement, this editorial concluded with a clarion call for 'all Marxist-Leninists to resolutely carry on the struggle against modern revisionism to the end.'

As for Chinese Communist motivation, the Peiping regime apparently decided that further retreat and accommodation in the face of Soviet pressures was both unnecessary and, given the nature of Soviet provocation, intolerable. Militarily, the threat of an American-supported Chinese Nationalist invasion of the mainland had passed and with it the need to conciliate Moscow in the hope of having available the Soviet nuclear shield. Economically, Communist China appeared to be emerging from the worst period of crisis and, besides, Soviet economic assistance during this critical period had been minimal. Tactically, the Chinese leadership may have concluded that it would be better to seize the initiative rather than await passively a new Soviet onslaught.

As for the numerous Soviet provocations which may have prompted this decision, the 6 September 1963 Chinese statement lists ten examples of "sabotage" of Sino-Soviet relations perpetrated in the roughly one-year period preceding the Tenth Plenum. The most intriguing of these was the charge that "the leaders of the CPSU" had attempted "to subvert its /i.e. CCP/ leadership by every possible means." As discussed at some length in the preceding chapter of this paper, this charge apparently referred to a revival of "Peng Te-huai-ism" among elements in the People's Liberation Army, especially in the Air Force, who may have responded to fresh Soviet overtures by urging accommodation to the USSR. Other Soviet actions which must have appeared particularly outrageous as violations

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of Chinese national interests were the following more or less simultaneous developments in the months just preceding the Tenth Plenum: (1) the projected sale of MIG fighter planes to India, symbolizing as it did the entire course of Soviet policy toward the Sino-Indian conflict; (2) Soviet notification on 25 August 1962 of its intent to enter into an agreement with the United States to prevent further proliferation of nuclear weapons; and (3) alleged Soviet "large-scale subversive activities" which were held responsible for the exodus of tens of thousands of minority peoples from Sinkiang into Soviet Central Asia. As a reaction to these menacing activities (summed up by Chen I in the phrase "vilification, sabotage, subversion and invasion"), the Chinese Communist decision at the Tenth Plenum to launch an all-out attack against the "revisionist" leadership of the CPSU at least becomes more intelligible.

2. The Decision to Organize Nation-Wide "Class Struggle"

By the fall of 1962, three years of privation and ignominious retreat from the original goals of the "great leap forward" and commune programs had bred wide-spread apathy, disillusionment and dissatisfaction among all classes of Chinese society. Even more alarming, a large proportion of the party rank-and-file had begun to display the same symptoms of cynicism toward party programs. Since these developments had gravely damaged the Chinese Communist mystique of being an infallible force capable of building China into a powerful nation on the basis of Marxism-Leninism, it was imperative that a new rationale be advanced to explain past failures and silence future criticism. The new rationale, as revealed by Chairman Mao to the Tenth Plenum, was to explain failures and criticism of party policies as largely the handiwork of "foreign and domestic class enemies" against whom it was now necessary to launch a nation-wide "class struggle" campaign.

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According to a subsequent Chinese Communist publication, Chairman Mao at the Tenth Plenum "searchingly analyzed the international and internal situations and once more explained in a penetrating way the existence of classes, class contradictions and class struggle throughout the entire historical period of transition from capitalism to Communism... [Thereby] brilliantly enriching and developing the Marxist-Léninist theory about classes and class struggle and providing our people and the revolutionary people all over the world with a new weapon." This quotation is significant for the following diverse reasons: (1) it demonstrates the dominant role played by Chairman Mao at this party conclave; (2) Chairman Mao's finding on "classes and class struggle" are presented as having validity not only for China but for all socialist countries, thus refuting Khrushchev's claim to have established a state and party "of the whole people" (in effect, a classless society); and (3) Chairman Mao's "brilliant development of the Marxist-Leninist theory about classes and class struggle" at the Tenth Plenum represents an almost complete reversal of the view he had expounded.

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These wildly divergent appraisals illustrate not only the notorious fallibility of Mao's judgment but also the extent to which subsequent developments have belied his optimistic view in 1957 of the cohesiveness and loyalty of Chinese society on the point of undertaking large-scale socialist construction.

Two observations about the "class struggle" campaign in the fall of 1962 deserve special emphasis: (1) that emphasis at this stage was placed on preparations for actual launching of the campaign in the spring and summer of 1963; and (2) that there were already a number of indications that the campaign would be protracted and

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comprehensive, encompassing all classes and groups within Chinese society. In the way of preparatory measures, three of the formal decisions announced in the Tenth Plenum communique (the planned interchange of leading cadres, the strengthening of the party control commissions, and the changes in the central committee secretariat) foreshadowed disciplinary action against unreliable elements within the party.

The multiplicity of uses to which the Chinese Communist regime intended to put the "class struggle" campaign was revealed in published discussions of this versatile concept following the plenary session. As noted above, one such use was to convey the grim warning that further opposition to party policies would be construed as the work of "class enemies" engaged in Soviet-inspired subversion. That "class enemies" of this type had already been discovered at a fairly high level within the CCP was suggested by a December Red Flag article ("Lenin on Class Struggle in the Transition Period") which referred to the "growth of a right-opportunist clique within the party" as "almost inevitable," and warned of the "splitting, subversive activities" of such a clique.*

A second use was to warn of the danger of continued controversy within the party, obviously a lesser offense since not directly attributed to machinations of the "enemy." The major point of interest in the discussion of this phenomenon (appearing again in the December Red Flag article) was the admission (indirectly through the medium of Leninist quotations) that such "disagreements" continued to exist within the CCP and were subject to exploitation by hostile forces.

A third intended use of the "class struggle" campaign was to issue a blanket warning to "new bourgeois

*Since no time period was specified, this may very well have been an allusion to the activities carried out by Peng Te-huai's "anti-party group" in 1959.

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elements" which had emerged not only within the party but also within the government, economic organizations, mass organizations and indeed within all classes and groups of Chinese society. As spelled out in the same Red Flag article, all elements of the population were served notice that they were liable to attack and punishment should they persist in any one of a number of "anti-socialist" activities as defined by the regime.

By far the most important of these activities was the "spontaneous tendency to capitalism" which had developed to an alarming degree in China's countryside during the two-year period preceding the Tenth Plenum. With national survival at stake, the regime throughout this period had been forced to make numerous concessions to the peasantry in the interests of increasing production, concessions which had progressively expanded the area of private enterprise (cultivation of "private plots," private reclamation of wasteland, private household production and private trading on the "free market") at the expense of the collective economy. As noted above, in addition to these well-publicized concessions, the regime had also been forced to permit the withdrawal of large numbers of peasants from the commune-collective system, the proportion reaching 20 percent in at least the one province of Anhwei. By a rough approximation, it may be estimated that at the time of maximum retreat perhaps as much as 25 percent of agricultural production and rural trade were being carried on outside the "socialist" system.

Viewed in this light, the Chinese Communist decision at the Tenth Plenum to launch a nation-wide "class struggle" campaign becomes more comprehensible. In the words of the communique, the Chinese revolution had reached a decisive turning-point in the "struggle between the socialist road and the capitalist road." As seen by the party leadership, the struggle for control over China's rural economy was a life-and-death struggle in which victory was essential to preserving the raison d'etre of the Chinese Communist revolution. As foreshadowed by the Tenth Plenum decision "to further consolidate the collective economy of the people's communes," the first stage of the "class struggle" campaign in the

spring of 1963 would focus on peasant "individualism" in production and trade, with the worst offenders singled out for punishment as "mortal enemies of socialism."

3. The Decision to Initiate a New "General Policy" for National Economic Development

By the fall of 1962, Communist China's "three red banners" (the trilogy of policies advanced by Mao Tse-tung in 1958 as the answer to Communist China's special problems of economic development) existed in name only. In place of the "great leap forward," the Peiping regime had enunciated the policy of "gradualism," or step-by-step development, at the National People's Congress in April. In place of the much-vaunted people's communes, the regime was struggling to uphold the small-scale collective farm against the inroads of peasant "individualism." And, in place of the "general line for socialist construction," the Tenth Plenum of the CCP central committee approved a new "general policy" of developing the national economy "with agriculture the foundation and industry the leading factor."* Clearly, it is of some importance to discuss the content and significance of this new policy of agricultural orientation, a policy which has proved to be not only confusing (to Chinese and Westerners alike) but (in the sense that it purported to provide a new "solution" to China's economic development problems) short-lived as well.

The first observation that should be made is that, although apparently so conceived, this was not a long-range development policy at all. In retrospect, it has

*As noted in the preceding chapter, this policy was actually not new at all, having originated three years earlier during the period of "continuous great leap forward."

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become increasingly clear that this new "general line"** was little more than a restatement in more positive terms of the economic "readjustment" policy which had already been in effect for 18 months--i.e. an interim program designed to shore up the badly-lagging agricultural sector preparatory to a general upsurge in the national economy. As demonstrated by the abortive attempt (in the months following the Tenth Plenum) to draft the Third Five Year Plan on the basis of this new "general policy," it fell far short of the requirements of a comprehensive, long-term development program.

The essentially political nature of this new policy line was revealed in a number of Chinese Communist articles (published in the fall of 1962) celebrating its great significance as the latest example of Mao Tse-tung's "creative development of Marxist-Leninist theory" and as "an important development of the Marxist-Leninist theory of socialist construction." Just as the Chinese Communists had discovered a "new law of undulatory development" when the "great leap forward" collapsed, so were they now reacting to failure on the agricultural front by proclaiming the principle of priority development of agriculture as an "objective law" of socialist economic development.**

*Although "general policy" was the usual term, Chinese Communist publications in the fall of 1962 also referred to this agricultural orientation policy as a new "general line" for national economic development.

**It is interesting to note that this "objective law" is actually a flagrant example of Chinese Communist "modern revisionism," a flat repudiation of the basic economic law of socialism which calls for priority development of the means of production (i.e. the capital goods produced by heavy industry). Chinese Communist propagandists who sought to rationalize this deviation were driven by the demands of doctrine to the patently false conclusion that agricultural products are actually "capital goods."

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By presenting an essentially expedient policy as a new Marxist-Leninist law, it appears that the Chinese Communists were attempting once again to convey a sense of purpose and direction in economic policy which would generate confidence and enthusiasm for a new production upsurge on the part of the Chinese people.

Even the decision to initiate a major effort to modernize agriculture (publicized with great fanfare following the Tenth Plenum) appeared to be based more on political considerations than on any coherent program. Described as "the central task and main program of the whole party," this undertaking to achieve the mechanization, irrigation, fertilization and electrification of agriculture was little more than a restatement of the grandiose objectives originally announced by Chairman Mao in 1955 and repeated periodically thereafter. The new emphasis on the protracted nature of this modernization process (20 to 25 years), the tentative exploratory character of published discussion, and the admission that relatively little state investment would be available suggested that agricultural development in the near term would continue along traditional lines. Again the intent appeared to be primarily one of projecting an image of certainty and clear direction in agricultural development policy where in fact none existed.

Of more immediate relevance to the development of China's rural economy was the fourth formal decision adopted at the Tenth Plenum, the decision "on the question of commercial work." In accordance with this decision (which Chairman Mao had "personally" proposed), new importance was assigned to the role of trade, finance and pricing policy in bringing rural production and exchange under state control. The primary objective was to increase the state's take from agriculture through appropriate changes in procurement and farm pricing policies and through the controlled distribution of industrial consumer goods, thereby progressively restricting the "free market." As discussed by the Minister of Commerce in a November Red Flag article, this new policy combined "economic measures, correct administrative

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controls and political education," with chief emphasis placed on "economic measures." As demonstrated by subsequent developments in 1963, however, this was a flexible policy which could and would be shifted to increasingly greater reliance on political and administrative controls.

It remains to discuss one of the most significant developments in the fall of 1962--the reappearance of signs of disunity among the Chinese Communist leadership over domestic policy, especially economic policy. Moreover, this policy debate appeared to involve roughly the same groupings of radical ("party-machine") and moderate ("administrator-economist") leaders identified in preceding chapters of this paper as an abiding feature of the Chinese Communist leadership. As it had in the past, the disagreement appeared to center on questions of method and "speed of construction" (or optimum rate of development) for China's economy. And once again, as suggested by the lead-in quotations to this chapter, the principal figures in these two groupings appeared to hold significantly different views in the fall and winter of 1962-1963, with Liu Shao-chi holding forth the prospect of "rapid progress" and Chou En-lai stressing the need for "gradual, step-by-step solutions."* Additional evidence suggesting policy differences, moreover, is provided by the curious circumstances surrounding the decision at

*Illustrating the "rapid progress" which Liu Shao-chi apparently had in mind, an important 10 July 1963 Red Flag editorial would repeat the estimate advanced during the "great leap forward" era that it would take Communist China only "a decade or two to catch up with the most advanced levels in the world in science and technology and build our country into a powerful socialist state with modern industry, modern agriculture, modern national defense and modern science and technology." Just nine months earlier, Chou En-lai had informed Malcolm MacDonald that this estimate (and those who accepted this estimate) "had been proved completely wrong."

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this time to proceed post haste with the drafting of a Third Five Year Plan to commence in 1963.

The first curious circumstance is that the decision was made at all.

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As late as 1 November, Premier Chou En-lai informed a Japanese delegation that it would be two years (1965) before China's trade and production had returned to normal. On 8 November, however, Peiping suddenly announced the appointment of seven high-ranking officials as deputy directors of the State Planning Commission, strongly suggesting the creation of a high-level task force to formulate Communist China's Third Five Year Plan (1963-1967) on a crash basis.

The second curious circumstance concerns the identity of these new appointees, who were not only senior officials (five were either members of the politburo or vice-premiers) but also appeared to have been selected in almost equal numbers from the "party-machine" and "administrator-economist" groups. This apparently conscious effort to achieve balanced representation was particularly marked in the case of the agricultural specialists, with the radical Vice-Premier Tan Chen-lin exactly counterbalanced by the moderate Vice-Premier Teng Tzu-hui. Still another instance was the pairing of Chen Po-ta (a leading party propagandist and long-time spokesman for Chairman Mao) with the more conservative financial and economic specialists Li Hsien-nien and Po I-po.

Thus on the basis of admittedly incomplete evidence, it may be speculated that some such process as the following characterized the decision to go ahead with Communist China's Third Five Year Plan in the fall of 1962--that there was a policy debate over the desirability

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and feasibility of attempting to draft a long-range development plan at that time; that Chairman Mao then called for the preparation of such a plan on a crash basis, arranging at the same time for adequate representation of both groups in the drafting process; and that this was essentially a political decision, reflecting Chairman Mao's view that it was imperative to demonstrate Communist China's ability not only to survive Soviet economic sanctions but also to chart an independent course of economic development which would be valid for other underdeveloped countries as well.* With the announcement in December that a new session of the National People's Congress would be convened in the second quarter of 1963, it appeared that this would be the target date for completion and publication of a reasonably ambitious Third Five Year Plan which would provide both guidance and inspiration for a new upsurge in Communist China's production and construction.

B. The "Great Stride Forward" (January-June 1963)

As noted above, the first half of 1963 would be an important testing period for the basic economic policy decisions at the Tenth Plenum (1) to re-establish socialist, collective controls over the economy (especially the rural economy); (2) to generate a new upsurge in production (especially agricultural production); and (3) to draft a Third Five Year Plan which would be both dynamic (demonstrating Communist China's ability to achieve substantial progress of its own) and feasible (avoiding the excesses and mistakes of the "great leap forward" era).

*This latter point was made explicitly by a Chinese Communist official in early 1963 who asserted that "China had to show the world that only her socialist system was able to solve the many problems of the underdeveloped countries of the world."

Before turning to an examination of developments within this period, it is important to note briefly the fundamentally incompatible nature of these objectives.

The first contradiction was that posed between the requirement for strengthening socialist controls over China's rural economy (i.e. increasing the state's take from the agricultural sector) and the requirement for increasing agricultural production. That Communist China's leaders (at least some of them) were aware of this contradiction was suggested by the relative restraint of the "class struggle" campaign in the first half of 1963, with greater emphasis placed on persuasion ("socialist education") than on coercion.

The second contradiction was inherent in the politically-inspired directive to draft economic development plans which would be both dynamic and feasible. This political and ideological compulsion to show a rapid, if somewhat more realistic, rate of progress would be well exemplified by politburo member and East China regional party leader Ko Ching-shih in February when he would exhort the Chinese people to achieve a "great stride forward" in socialist production and construction. By mid-year, however, it would become clear that this undertaking to force the pace had encountered serious obstacles both in the short run (a disappointing summer harvest) and in the long run (the failure of the State Planning Commission to come up with a viable Third Five Year Plan). By another irony of history, it would be just at this point of demonstrated incapacity in charting its own course of domestic development that Communist China would proclaim the universal validity of its policies by advancing a new "general line for the international Communist movement."

1. The Production Upsurge

The crisis of confidence experienced by Communist China's leaders in the spring of 1962 had expanded by the end of the year to encompass most of the Chinese people.

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Confronted with widespread public and party apathy, the Peiping regime initiated a long-term, intensive "socialist education" campaign at the Tenth Plenum designed to restore popular confidence in party leadership and faith in the efficacy of party programs. This was all the more essential since Communist China's hopes for rapid economic development in 1963 rested primarily on its ability once again to substitute political and ideological incentives for material reward as the major stimulus in production.

The first step in this lengthy re-education process was to reassert the "greatness" and "correctness" of Chinese Communist leadership, especially as personified by the "great contemporary Marxist-Leninist," Mao Tse-tung. In a series of major articles and editorials extending from the Tenth Plenum well into the spring of 1963, party propagandists expounded the theme that, appearances and the "anti-China chorus" to the contrary, Communist China had scored continuous victories in socialist revolution and socialist construction in the past and would continue to do so in the future because of "the brilliant and correct leadership of the CCP central committee and Comrade Mao Tse-tung."

Central to this campaign was the revival and elevation to new heights of the "cult of Mao Tse-tung" in which the Chinese leader once again was depicted as a semi-divine being whose attributes included infallibility and scientific foresight. A November 1962 China Youth article asserted that "the past ten years of practice in socialist construction...have proved the unqualified correctness of Comrade Mao Tse-tung." Even more striking was an article appearing in the 8 January 1963 issue of China Youth Daily which eulogized Chairman Mao's foresight ("at all times standing higher and seeing farther than anyone else") in the following passage: "The way Chairman Mao Tse-tung looks at problems must be like standing on top of a skyscraper looking down on the streets and roads below. Each path, turn and curve comes in his view. How can it be possible for him to lose direction?" (Underlining supplied) The final and most extreme illustration of this new undertaking to exploit the charisma

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of Mao Tse-tung was the emergence in February 1963 of the campaign to "learn from Lei Feng," a propaganda hero whose miraculous accomplishments were attributed "to earnest and repeated study of Chairman Mao Tse-tung's works" and (in Lei Feng's own words) "to the blood given by the party and Chairman Mao Tse-tung which has penetrated into every single cell of my body."

The next step in reviving popular confidence was a concerted effort initiated at the Tenth Plenum to demonstrate that the party's economic policies had already produced a "new situation of victory" and would soon ("after efforts for a period of time") usher in "a new period of great upsurge in socialist construction." It is of particular interest to note that as this campaign gained momentum in the winter of 1962-63 it began to assume the character, at least in agriculture, of a modified "leap forward" campaign. Because of limitations of space, it is possible to present only the following brief summary of this significant development.

First, an important People's Daily New Year's Day editorial asserted that "tremendous achievements" gained during the preceding five year period had "shown even more clearly that it is possible to achieve a great leap forward in China's socialist construction;" claimed "striking successes" in "readjustment of the national economy and rapid restoration of agricultural production" during the preceding two year period; and, on the basis of these successes, called upon the Chinese people to "advance with powerful strides" and "to strive for a bumper harvest and for a new upsurge in the national economy" in 1963. Then in late January, Liu Shao-chi issued the dictum noted above that "our country will certainly make rapid progress provided we work hard."

It was not until the East China regional agricultural conference in early February, however, that this campaign began in dead earnest. It was here that Ko Ching-shih, describing the conference as "ideological preparation for a new upsurge of agricultural production," called for initiation of "a thundering and large-scale

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increase production campaign in a practical manner;*" asserted that China's "agricultural production and rural economy can be developed at high speed;" and, symbolically, proclaimed that China would achieve a "great stride forward" in economic development. Amplification of these guidelines appeared in follow-up provincial agricultural conferences which (1) issued the ambitious targets of a 10 to 20 percent increase in grain and cotton production in 1963 (Honan); asserted that "there is present everywhere a picture of rapid growth and a new high tide of national economic construction is in the offing" (Heilungkiang); and (3) called upon the rural cadres to "whip up a production upsurge...a new upsurge in agricultural production of immense proportions" (Kwangtung).

Perhaps the best indication of an intent to reintroduce certain "leap forward" techniques in agriculture was provided by Tao Chu (the Central-South China regional party leader) in an article appearing in the 21 April 1963 Canton South China Daily. Praising two model communes for exhibiting "revolutionary zeal" and the spirit of "moving mountains" in their triumphs over nature, Tao reaffirmed one of the basic ingredients (the organization of mass movements) in the "leap forward" approach to economic development as follows:

The socialist cause is a common cause of millions of people. To build socialism and change the outlook of 'poverty and blankness,' you must mobilize millions of people to work together as a team. Only the masses of people are creators of history...However the masses need leadership; they need someone to give them a push.

*This injunction to conduct the campaign "in a practical manner" received even greater emphasis in another speech (of which only a brief summary is available) to this conference by Chou En-lai.

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That the regime was still mindful of earlier excesses in this social mobilization technique was suggested, however, by Tao's occasional reminders of the need to combine "zeal and confidence with a realistic work style."

Paralleling this campaign of exhortation and of "whipping up a production upsurge" in the countryside, there were a number of indications that this approach was considered inappropriate for industrial and scientific and technical development. In late January, Chou En-lai and Ko Ching-shih appeared before a Shanghai conference of scientists and technicians to stress "realism and practicality" and to warn against "violating the law governing the development of science and technology... the law of advancing step by step." Several articles by provincial first secretaries in the spring of 1963 emphasized the need for gradualism in modernizing China's agriculture, pointing out that overambitious targets, haste and "reckless reform" had characterized previous efforts to achieve the technical transformation of agriculture.

Also indicating a pragmatic strain in Chinese Communist domestic policy was the decision in February to reinstitute (after an interval of six years) an ambitious program of birth control, a program sponsored by the principal figure in the moderate grouping within the CCP, Premier Chou En-lai.

[REDACTED] Chou delivered an important speech before a medical conference in Peiping at this time in which he stressed that the party and government had decided to launch a long-term "family planning" campaign and called upon the conference to devise measures for implementing this policy. Underlining the urgency of birth control, the Chinese premier asserted (1) that China's population problem was equal in importance to its agricultural and national defense problems; (2) that China's current population was in excess of 700 million and was increasing at an annual rate of 2.2 percent (about 16 million); (3) that continuation of this trend would defeat China's plans for economic development; and (4) that, consequently, it was imperative to reduce this rate progressively to 2 percent in five years, 1.5 percent in ten years and 1.0

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percent within a fifteen year period. Although slow to develop, this campaign has accelerated in recent months to include mass indoctrination on the desirability (if not necessity) of late marriage; popularization of birth control methods, abortion and sterilization; and withdrawal of maternity and other benefits after the third child.

The immediate effort in the spring of 1963 to incite a production upsurge, moreover, was almost at an end. The mood of buoyant optimism and the image of rapid progress which Peiping had wished to convey both domestically and abroad reached their peak on May Day. On that occasion, regime spokesmen claimed substantial increases in agricultural and industrial production during the preceding year and "an across-the-board turn for the better in the national economy." By the end of the month, however, references to an imminent upsurge in the national economy had dropped out of sight and by August the line had reverted to that of the Tenth Plenum--that "a certain period of time" was required before Communist China would enter a "new period of great upsurge" in economic development.

Symptomatic of this change in party line was the announcement on 7 June that the National People's Congress session originally scheduled for early summer had been postponed until late in the year. As recent developments have made increasingly clear, this decision appeared to reflect diminished confidence in China's economic prospects resulting from (1) a disappointing summer harvest and (2) the inability of China's economic planners to translate Chairman Mao's policy guidelines into a viable Third Five Year Plan.

2. Class Struggle: The First Stage

As noted above, the Tenth Plenum decided not only to incite a new upsurge in production but also to re-establish socialist, collective controls over the rural economy. This decision was apparently based on the

agricultural produce" to the state in order to support industrialization and economic growth. The additional explicit statement in this editorial--that the modernization of industry must precede the modernization of agriculture--revealed the essentially fraudulent nature of the agricultural orientation policy which had been proclaimed with great fanfare at the Tenth Plenum.

Since it was both impolitic and embarrassing to admit that China's peasants en masse were opposed to socialism, the Peiping regime revived the pre-"great leap forward" concept of rural "class analysis" to assert that "upper middle" peasants were largely responsible for the resurgence of capitalism in the countryside. To the extent that such a class could be said to exist in the spring of 1963, it was composed of the more energetic and productive peasants who had made good use of the "limited freedoms" (e.g. to farm "private plots" and to sell produce on the rural "free market") permitted during the preceding three year period. As pointed out in the 10 February issue of China Youth, "their /the "upper middle" peasants/ speculative activities and other activities unfavorable to socialism constitute the most important part of the activities of capitalist forces in town and country under present social conditions."

Refugee reporting indicates that, with important exceptions, the struggle waged against these capitalistic practices in the spring of 1963 was relatively restrained. Rather than abolishing "private plots" (as it had done twice before), the regime apparently issued regulations limiting their size and the time peasants could spend working on them. A similar process of whittling away at the rural "free market" was also instituted, featuring the imposition of price ceilings and state procurement at low prices of part of the output of "private plots."

There were, however, important exceptions to this general rule of leniency, exceptions which figured prominently in reports of a new "five anti's" campaign (probably still in the experimental stage) just getting underway in China. Although varying from province to province,

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the main targets of this campaign in the spring of 1963 were speculation and "individual farming." As noted earlier, the phenomenon of large numbers of peasants withdrawing from the commune-collective system to engage in "individual farming" had reached alarming proportions (e.g. 20 percent in Anhwei Province.) Now that the worst period of agricultural crisis was over, such a flagrant "capitalistic" practice could no longer be tolerated. It is not surprising, then, that rural cadres who had countenanced "individual farming" were singled out (according to a number of refugee reports) for public trial and punishment (including beatings) as the first of many "class enemies" to be attacked in the countryside in 1963.

It remains to note briefly the role of Lei Feng, "the extraordinary ordinary soldier," in Communist China's "socialist education" campaign in the spring of 1963. A major objective of this campaign to study and emulate the "revolutionary spirit" and "heroic self-sacrifice" of Lei Feng was to provide an ideological and moral substitute for material incentives in stimulating production. It is interesting to note that a 5 January Red Flag article attacking "modern revisionists" for betraying the noble ideals of Communism in favor of "material benefits... individual rights...and personal welfare" anticipated the emergence of Lei Feng by asserting that "in socialist society, numerous new people with Communist ideological consciousness and morality will inevitably be fostered." As the campaign developed, it was predicted that Comrade Lei Feng (personifying the very antithesis of "individualism,") would inspire tens of thousands of Chinese youth to emulate his "Communist spirit and virtue." This would produce, by chain reaction, "an increase of the people's Communist spirit and virtue into a gigantic force beyond measurement, like a spiritual atomic bomb of unlimited power, with which we will overcome any obstacle, avert any crisis, and smash any enemy in our great cause of socialist revolution and construction." It is in this sense that the Lei Feng campaign, indeed the entire "socialist education" campaign under way since the Tenth Plenum, should be viewed as a reaffirmation and re-expression of a basic and long-held tenet of Mao Tse-tung--that political

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indoctrination, rather than material incentives, is the key to rapid development of Communist China's backward economy.

3. Anti-Soviet Struggle: The First Stage

Although the decision at the Tenth Plenum to precipitate open political warfare with the Soviet Union undoubtedly appealed to many Chinese (on nationalistic if not racial grounds), there were indications in the spring of 1963 that many others were uneasy about the break with Moscow and its long-term effect on Communist China's aspirations to become a great world power. As discussed at some length above, there is good evidence that at some time in 1962 the party high command had been forced to deal with dissident elements within the People's Liberation Army, especially within the Air Force, who had urged a policy of accommodation in order to secure additional Soviet military and economic support. If is all the more remarkable, then, that certain Chinese Communist officials apparently continued to question the wisdom of waging an anti-Soviet struggle even after the grim warning in the Tenth Plenum communique that such criticism would be construed as Soviet-inspired subversion.



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military officer to the effect that Premier Chou En-lai still favored re-establishing good relations with the USSR.*

It was also at this time that the editor of a Chinese Communist newspaper in Hong Kong returned from a briefing in Canton to report that the Sino-Soviet dispute had resulted in "considerable loss of spirit and enthusiasm among people on the mainland who now feared that the lofty goals of industrialization, agricultural mechanization and great power status might never be realized."

There were even public, if oblique, references to the demoralizing effects of the anti-Soviet struggle at the time--for example, the admission in a 28 July China Youth article that "some of our youth are liable to become confused...and feel anxious

*It is interesting to note that Chou En-lai on several occasions in recent years has predicted quick victory for China in the Sino-Soviet conflict, most notably in his secret speech to the National People's Congress in April 1962 when he contended that Khrushchev "would be obliged within two years" to reassess his China policy and, by implication, resume military and economic assistance. Although hardly qualifying as evidence of "pro-Soviet" inclinations, this position does suggest considerable defensiveness in the face of domestic criticism as well as an effort to allay anxiety on the part of his audience.

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about...certain concrete incidents appearing on the stage of international class struggle."

Hoping perhaps to capitalize on just such attitudes and tendencies, it is now known that Khrushchev made a bid for a truce by dispatching several conciliatory letters to the CCP in the fall and winter of 1962-63, including renewed offers of economic and technical assistance in exchange for a cessation of Chinese polemical attacks. As is also well known, the Chinese Communist response was to advance its 14 June "Proposal for a General Line for the International Communist Movement" which in effect called upon Communists everywhere to switch their allegiance from Moscow to Peiping. As noted earlier, it was ironic that Communist China should proclaim its right to lead the international Communist movement at just the point in time when failure to come up with a viable Third Five Year Plan had demonstrated its inability to chart an independent course of economic development.

Indeed, the new "general line" advanced by Communist China at this time was singularly devoid of theoretical or practical guidance in the organization and planning of socialist economic construction. Of the 25 points comprising this new program, only one dealt directly with this important subject and this was the negative prescription that "each socialist country must rely mainly on itself for its construction" (i.e. steer clear of such Soviet schemes to "integrate" bloc economies as CEMA.)

The remaining points bearing on the nature of socialist society all stressed the need to strengthen political and military controls: (the dictatorship of the proletariat) in order to guard against the machinations of class enemies and the ever present danger of "the restoration of capitalism." In keeping with these guidelines, Communist China's domestic policy in the latter half of 1963 would be characterized by an intensification of political pressures as the regime groped for new solutions to its perennial economic problems.

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C. The "Three Great Revolutionary Movements"
(July - December 1963)

A new phase in Chinese Communist domestic policy was initiated in late spring 1963 when Mao Tse-tung issued the dictum: "Class struggle, production struggle and scientific experiment are three great revolutionary movements in building up a powerful socialist country." Although purporting to provide new general guidelines for China's socialist construction, this prescription, as elaborated in party publications in the summer and fall, reiterated a number of the theoretical propositions which Chairman Mao had advanced periodically since 1955 as the answer to China's economic problems. Reflecting this development, the Peiping regime revived the "general line for socialist construction" (introduced in May 1958 on the eve of the "great leap forward") in the fall of 1963, elevating it to a position of major importance in discussions of Communist China's future development.

To the discomfiture of the dominant leaders, however, this renewed effort to substitute ideological for material incentives in Communist China's economic development encountered resistance which was apparently widespread. Internally, the regime was forced to admit the existence of opposition extending from rural cadres generally up to and including "some comrades in leading positions." Externally, the Soviets pilloried the Chinese leadership not only for economic follies in the past but also for an apparent intent to repeat these follies in the future.

In the highly revealing September statement of Anna Louise Strong (Mao's American spokesman resident in Peiping), Communist China's "chief problem today.../is7... how to keep the revolutionary spirit alive...How to fight the tendencies of all men and revolutions to backslide?" Confronted with a politically indifferent population and deprived of Soviet advice and assistance, there were clear signs in the closing months of 1963 that the Peiping regime was floundering in the face of "new problems in socialist construction without ready-made answers."

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1. Class Struggle: The Second Stage

Of the "three great revolutionary movements" proclaimed by Chairman Mao in mid-1963, the most important was "class struggle" conceived as the motivating force "to drive the struggle for production and scientific experiment forward." With this reassertion of the primacy of political and ideological work (the concept of "politics takes command"), the Chinese Communist leadership revealed an important truth about this allegedly new program for China's socialist construction--that this program resembled in many respects the original "general line for socialist construction" which Liu Shao-chi had announced to the second session of the Eighth Party Congress in May 1958 on the eve of the "great leap forward." The resemblance between these two programs, separated by five years in time and by the harrowing experience of economic disaster, is so striking that it deserves further discussion.

First, and foremost, it became increasingly clear in the fall of 1963 that the "socialist education" and "five anti's" movements (which together comprise the "class struggle" campaign) were modeled closely after the "rectification" and "anti-rightist" movements of 1957-1958. Just as "rectification" had sought to incite a production upsurge "by raising the socialist consciousness of the workers and arousing the enthusiasm of the masses," the objectives of "socialist education" in 1963 were "to stimulate the labor enthusiasm of the masses and encourage their zeal for production" and "to mobilize all the forces that can be mobilized and organize all the people who can be organized into the struggle for production." As was true in the earlier period, it was again held that the key to success in this mobilization effort lay in rectifying defects in cadre "work style," primarily correcting the defect of "bureaucratism" of China's rural cadres by having them "participate in collective, productive labor."

As expounded in a key 10 July Red Flag editorial, rural cadre participation in collective, productive labor was of "fundamental importance" to the success of Communist

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China's socialist revolution and socialist construction. Among the manifold advantages accruing from this practice, perhaps the most important was the "power of example" which cadre participation in physical labor was supposed to generate among China's peasants. As depicted here, China's millions of rural cadres would thereby serve as miniature Lei Feng's, becoming "bosom friends" of the toiling peasants, fostering industry and thrift, and "stimulating the labor enthusiasm of the masses." Of particular interest was the claim that this method of overcoming "bureaucracy" (in both rural and urban areas) would enable Communist China "to greatly increase the amount and greatly accelerate the tempo of socialist capital accumulation," a requirement all the more urgent (as the editorial pointed out) now that Peiping could no longer look to "foreign countries for loans." As Liu Shao-chi in 1958 had called for the mobilization of China's peasants "to create limitless wealth and thus accumulate large amounts of funds for national industrial construction," so did Red Flag in mid-1963 exhort "all of our cadres to be fully aware of this way to increase accumulation of socialist capital by overcoming bureaucracy."

Finally, cadre participation in collective, productive labor was essential for carrying out the last of the "three great revolutionary movements," for "launching a revolutionary movement of scientific experiments in a planned way throughout the country." In rural areas, this meant (according to an important September Red Flag article) "cultivating experimental plots" together with veteran peasants and scientific and technical personnel and thus "finding out the objective laws governing the struggle for agricultural production." Again there was a clear precedent for this in Liu Shao-chi's 1958 report which had directed that "all party cadres must put themselves to work on 'experimental plots'" in order to secure "necessary knowledge in science and technology to guide the work properly"--in other words, to become both "Red" and "expert."

One difference (an important one) was that it was no longer possible in 1963 to sustain the image of leaping progress which Liu had expressed in 1958 in the slogan:

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"hard work for a few years, happiness for a thousand." True, the 10 July Red Flag editorial did revert to the estimate advanced during the "great leap forward" era that it would take only "a decade or two to catch up with the most advanced levels in the world in science and technology and build our country into a powerful socialist state with modern industry, modern agriculture, modern national defense and modern science and technology"--an estimate which Chou En-lai just nine months earlier had termed "completely wrong." But this was not repeated, and a much more representative view of future developments was that given by Chou Yang in his important policy speech given on 26 October 1963. Here, instead of predictions of rapid material progress and future prosperity for the Chinese people, the "magnificent spectacle" which Chou Yang conjured up before his audience was one of heroic struggle for "50 to 100 years" culminating in "complete victory" for the world revolution.

Another difference was that the Chinese Communist leadership exercised greater restraint in promoting this new mobilization campaign in 1963. Indeed, the regime apparently felt compelled to extend the original timetable for this campaign once aware of the widespread opposition it had aroused. Announced on 2 June, this undertaking to promote cadre participation in physical labor as a panacea for China's economic ills had by July reached the status of a nation-wide propaganda campaign. In editorial after editorial, the People's Daily reiterated the manifold benefits of this remedy and warned of the dangers which failure to implement promptly might entail. By early August, however, it was admitted that basic-level rural cadres, displaying "considerable ideological resistance," had raised numerous objections, especially that it affected the performance of their

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administrative duties. Then, taking cognizance of this ground-swell of protest, a People's Daily editorial of 17 August sounded the signal for tactical retreat by asserting: "We must refrain from hastily promoting cadre participation in physical labor.../and/...should allow ourselves at least several years before this great undertaking can be brought to a successful conclusion."

Even more intriguing were the indications at this time that opposition to this new mobilization effort extended into the leadership as well. Appearing in the 10 July Red Flag editorial noted above and in a follow-up 25 July People's Daily editorial, the charges leveled against these leaders (identified only as "some comrades in leading positions") were that they failed to realize that "correct knowledge...only comes from the three practices of class struggle, production struggle and scientific experiment" and, more ominously, that "their world outlook...is still bourgeois or still has the remnants of bourgeois ideology."* In this latter characterization, there was a strong suggestion that the dominant Chinese leaders were once again contending with a body of opinion among the leadership counseling more moderate and pragmatic domestic policies.**

*It is a reasonable inference that these were the same "some comrades" who would be criticized in a September Red Flag article for fearing that "class struggle would affect production."

**Since the identity of the "some comrades" mentioned here is admittedly vague, it is legitimate to question whether this opposition may not have arisen at the provincial or even county levels of leadership rather than at the party center. Although not conclusive, previous studies have shown a fairly consistent pattern in Chinese Communist usage of the term "some comrades" in discussing opposition to party policies, a pattern indicating not only that these "some comrades" actually opposed policy measures but also that these "some comrades" in most instances were situated at a fairly high level within the party.

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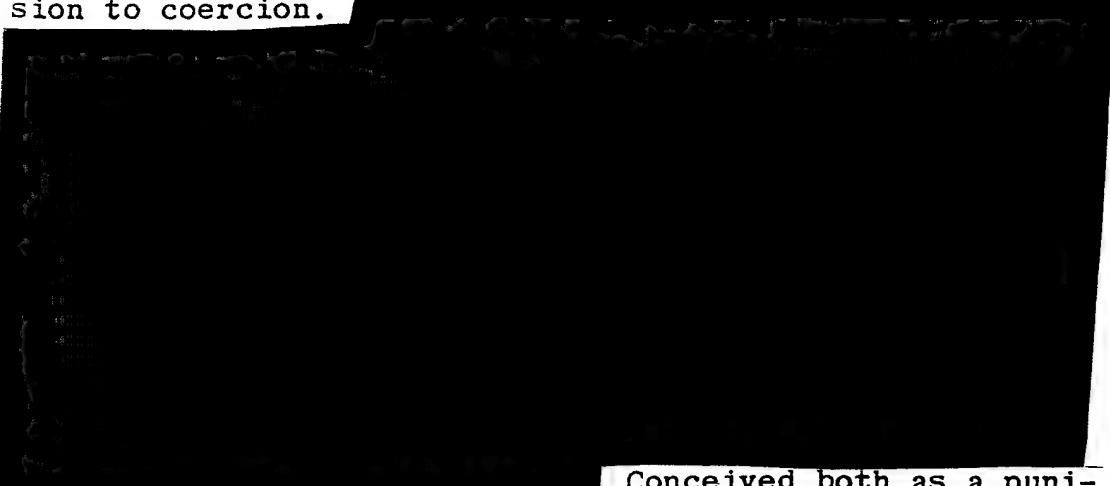
Confronted with this demonstration of widespread resistance, the Peiping regime apparently decided in the fall of 1963 that stronger measures were required to secure compliance with its policies. The first of these was intensification of the "class struggle" campaign in rural areas. The second was the launching of a long-term "five anti's" campaign throughout the party, with the smashing of "modern revisionism" as its primary goal. Each of these significant developments deserves brief mention.

According to the new "hard" line in rural areas (as spelled out in the 13 September issue of Red Flag and even more candidly in the 14 December issue of the Canton South China Daily), it was urgently necessary to step-up the struggle against "class enemies" who were "trying to usurp leadership" over basic level organizations in the countryside. Although the traditional villains of "landlords, rich peasants, counter-revolutionaries and bad elements" were the nominal objects of this attack, it was clear that the real objects were (1) the more productive and enterprising peasants who had prospered during the preceding three-year period of "limited freedoms" and were resisting regime efforts to diminish these freedoms; and (2) rural cadres who had sided with these peasants in the interests of maximizing production. As stated candidly in the 14 December South China Daily, "our aim.../is/...not to develop any kind of production...but agricultural production based on socialist collective economy." That these were the real objects was also suggested by the means selected to enforce this new control measure--the formation of poor and lower-middle peasant organizations under party control to "carry out dictatorship" towards class enemies. In view of the harsh guidelines for intensifying the "class struggle" ("to isolate... expose the subversive activity...and smash the attacks of class enemies") and of recent refugee reports indicating greater resort to violence in the countryside, this new campaign directed at China's more productive peasants may very well have adverse effects on Communist China's agricultural production.

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The best evidence that "class struggle" had entered a new stage of severity, however, was the appearance of the "five anti's" campaign in mid-1963. Whereas "socialist education" relied primarily on indoctrination (corresponding to the "rectification" movement in 1957-1958), the appearance of a new "anti's" campaign signified a shift from ideological to political struggle, from persuasion to coercion.



Conceived both as a punitive and preventive measure, this campaign has been described by an authoritative party spokesman as "necessary to prevent leading party members from accepting revisionist doctrines."

In contrast with this increasingly assertive political line, however, there were clear signs of confusion and uncertainty in Peiping's economic policy in the latter half of 1963. It is to a brief examination of this significant development that we now turn.

2. Production Struggle: The Second Stage

There is little question but that the failure of Communist China's Third Five Year Plan to materialize in 1963 was a major disappointment to the Peiping regime. Slated for disclosure at a National People's Congress session originally scheduled for early summer, the postponement of this session appeared largely motivated by

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a desire to gain time in order to come up with a viable plan. As late as September, a regime spokesman informed a visiting Japanese delegation that the Third Five Year Plan would soon be made public and that it would be a plan for "realizing socialism through China's own efforts" featuring "substantial construction." In October, however, Premier Chou En-lai revealed publicly that China was still "operating on the basis of annual plans" and Vice Premier Chen I admitted that a further period of "readjustment" was necessary before undertaking a long-term plan which might be "five, seven or ten years" in duration.

Among the factors prompting this embarrassing admission, a better appreciation of China's technological deficiencies and a more accurate diagnosis of China's economic ailments were undoubtedly important. Probably of more immediate importance, however, was the realization that the "bumper harvest" on which the regime had pinned its hopes for an economic upsurge in 1963 was not forthcoming. Whereas in early September a Chinese Communist leader estimated a sizable increase in grain production of some 13 percent, subsequent estimates dropped sharply to 3 percent, a figure just barely exceeding the annual rate of population increase.

Fortunately for Peiping's propagandists, the intensification of Sino-Soviet polemics in mid-1963 afforded a timely rationale for this embarrassing retreat. On 20 July the Chinese Communists for the first time publicly charged that the "sudden" Soviet withdrawal of "all" of its experts and scrapping of aid agreements in 1960 had "inflicted incalculable difficulties and losses on China's economy, national defense and scientific research..." Soviet "perfidy" was a dominant theme in the communique of the National People's Congress session (finally held from 17 November to 3 December) and especially in the 4 December People's Daily editorial which asserted that this perfidy has "caused heavy losses for China's work of construction" and "dislocated the original economic plan, greatly aggravating our difficulties." It remained for Vice Premier Po I-po in early January 1964 to assign primary responsibility for China's economic difficulties to

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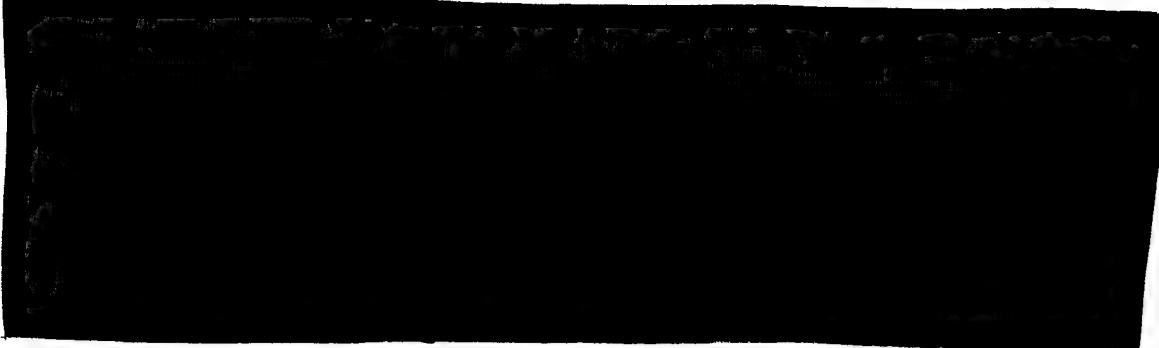
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"the sudden blow struck by Comrade Khrushchev in 1960." With this public accusation (appearing in an interview with Anna Louise Strong), the strategy of Communist China's leadership in designating Khrushchev the chief scapegoat for its own economic policy errors was revealed for all to see.

At the same time, there were a number of indications that the Peiping regime was deeply concerned about the unsatisfactory performance of Communist China's economy in 1963 and its prospects under a go-it-alone policy of economic development. In contrast with the self-assured and optimistic tone of pronouncements earlier in the year, the tone of policy statements at the National Day celebrations on 1 October and the National People's Congress session in late November was sober (if not somber) and clearly defensive in justifying China's policy of "national self-reliance."



Two developments in domestic policy in the fall of 1963 reflected this growing concern over the food/population problem. First was the revelation in late October (by Vice Premier Chen I to a Japanese visitor) that Communist China had "recently" shifted the focus of its agricultural development program away from mechanization to place greater emphasis on the production and importation of chemical fertilizer. In a radical departure from the policy line established by Chairman Mao as early as 1955 and reiterated periodically through the fall of 1962, Chen I dismissed mechanization as "not too practical"

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for many parts of China" where there was already an abundance of labor power. By contrast, this new approach to agricultural development appeared much more sensible in terms of China's needs and, if persisted in, should produce beneficial long-term results.

The second development was the intensification and expansion of Communist China's birth control program under the public sponsorship of Premier Chou En-lai.* Of particular interest in the fall of 1963 was the candid admission that birth control was essential to solve Communist China's food and clothing problems. According to statements of refugees and other reports coming out of China, the regime was now telling the Chinese people that without birth control "the average per capita consumption of food cannot be increased" and "the standard of living of the Chinese people cannot be raised." Reports also indicate that sanctions of increasing severity against early marriage and excessive births (e.g. families giving birth to a fourth child to be deprived thereafter of state assistance of any kind) were being invoked in the fall of 1963.

Probably the most significant development in the latter half of 1963, however, was the appearance of an unmistakable note of confusion and uncertainty in Chinese Communist discussions of domestic policy. This note was first sounded in a 25 July People's Daily editorial which implied that the inability of "leading cadres to achieve uniform knowledge through consultation and discussion" had been one of the factors preventing solution of China's

*In view of his continuing, close association with this doctrinally-suspect program, it is a fair inference that Chou En-lai is the leading proponent of birth control among the Chinese leadership. In this connection, the Chinese leader is reported to have stated on his recent African trip that Communist China's population problem is "the main problem for any responsible Chinese leader." (Underlining supplied)

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problems in socialist construction. Another policy issue at this time apparently concerned the extent to which Communist China should develop economic relations with the Free World as a substitute for the trade and aid it had received from the Soviet bloc.

Still another sign of confusion was the curious treatment of the "three red banners" (which symbolized Mao Tse-tung's distinctive approach to China's economic development) in Chinese Communist policy discussion in the fall of 1963. First, on 30 September Chou En-lai alluded to this concept in almost ironic terms when he declared: "We have at last found the key to socialist construction--namely, the three red banners of the general line for socialist construction, the great leap forward and the people's communes." (Underlining supplied) Beginning the very next day with the celebration of National Day, however, there was no further reference to these "three red banners" in high-level policy statements throughout the remainder of the year. Tending to confirm the significance of this propaganda indicator,

It remains only to note briefly more recent indications of vacillation and confusion in Chinese Communist domestic policy. Even Chou Yang's public declaration of the right of Peiping and Chairman Mao to lead the international Communist movement (published on 27 December) reflected this uncertainty while proclaiming "the great international significance" of China's experience in revolution and construction. After recounting at some length the early and intermediate periods of this

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experience (the road to power), Chou could only refer to "new problems arising from present socialist revolution and socialist construction" in the contemporary period. Then, clearly implying that Communist China was still groping for solutions, Chou urged his audience to take the "basic generalizations" of these problems by "Comrade Mao Tse-tung and the central committee" and "further expound and develop them into theory."

Finally, an article in the 25 January 1964 issue of People's Daily entitled "Leadership and Foresight" contained the explicit admission that Communist China was searching for new solutions to its staggering problems of economic development. Perhaps designed to answer the demands of high-level party and government cadres for more clear-cut policy directives, this article (1) discoursed at some length on the epistemological cause of human error; (2) noted conditions under which "men's understanding fails;" and (3) asserted that "when a matter undertaken by us fails due to an erroneous forecast, we must...conscientiously summarize the lessons of past experience." The article then concluded by stressing the urgency of learning from past experience at the present time "when several new problems without ready-made answers have arisen in our socialist construction..." (Underlining supplied)

3. Anti-Soviet Struggle: The Second Stage

It is perhaps fitting to conclude this lengthy survey of Chinese Communist domestic policy with a brief comment about the most recent phase of the Sino-Soviet struggle. For whatever the nature of Soviet "perfidy" and provocation throughout preceding years, Peiping's continued defiance of Moscow in the latter half of 1963 could not but appear irrational when judged strictly by the standard of economic development needs. Suggesting that Communist China's leadership was aware of this fact, the National People's Congress communique of 3 December was clearly defensive in discussing China's newly proclaimed policy of "national self-reliance." Moreover,

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there were indications that some of these leaders once again in the fall of 1963 were advocating more moderate tactics in the Sino-Soviet dispute.

First, there was a noticeable slackening of Peiping's anti-Soviet attacks throughout October and early November, coinciding with the new awareness of Communist China's bleak prospects for economic development noted in the preceding section of this paper. As might be expected, the principal spokesman during this hiatus in the Sino-Soviet polemic was Premier Chou En-lai who on two occasions discounted the likelihood of a Sino-Soviet break, asserted that the dispute was not irreconcilable, and even implied (on 13 October) that China "would accept... friendly help" if tendered by the Soviet Union. Equally striking was Vice Premier Chen I's statement in another October interview that: "We will not imprudently throw away the friendship toward China of the CPSU, the Soviet people and the Red Army."*

Next was Khrushchev's 25 October call for the cessation of open polemics, followed a month later by a CPSU letter containing concrete proposals for "strengthening the economic, scientific-technological and cultural relations between the USSR and the CPR" and including another offer (on a contingent basis) to return Soviet experts to China. Although this Soviet initiative was primarily tactical in nature (an effort to make Communist China appear responsible for continuing open polemics), Khrushchev may also have hoped by this conciliatory gesture to strengthen the hand of more moderate elements within the Chinese Communist leadership and thus effect some measure of reconciliation in Sino-Soviet relations.

*This is, of course, an ambiguous formulation which conspicuously omits Khrushchev from the listing of elements in Soviet society whose "friendship" the Chinese valued. When contrasted with the vitriolic attacks of Communist China's "party-machine" leaders, however, this was still a striking statement.

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If so, the Soviet leader's hopes for a possible rapprochement were doomed from the outset. For developments during the latter half of 1963 were making increasingly clear that the hard-line, ideologically-motivated leaders Liu Shao-chi and Teng Hsiao-ping were exercising major responsibility for Sino-Soviet relations and, in what appeared to be a related development, had gained greater prominence and stature among the Chinese Communist leadership. Since changes in the relative prominence of top leaders in the past have usually reflected policy changes (e.g. the shift to more moderate policies in the fall of 1960 and the corresponding rise in influence of Chou En-lai), this apparent shift in the relative standing of Communist China's top leaders in favor of the more radical "party-machine" grouping deserves further discussion.

Liu Shao-chi's increased stature was revealed dramatically in the second major polemical attack against the Soviet Union ("The Question of Stalin" dated 13 September) in which his role in the Chinese revolution was suddenly elevated to a position almost co-equal with that of Mao Tse-tung. It was also suggested by Liu's increasingly prominent role in the anti-Soviet struggle in late 1963 (e.g. his "important" secret speech in late October laying down doctrinal guidelines for this struggle.) As a final indication that Liu has been consolidating his position as Mao Tse-tung's successor, he was credited in a 4 February 1964 Red Flag article with making "an outstanding contribution to...Marxist-Leninist theory," an accolade previously reserved for Mao alone. ■■■

The increased importance of Teng Hsiao-ping (who as Secretary General is generally regarded as the number three man in the CCP) was symbolized by his appointment as acting premier in December during Chou En-lai's extended

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tour of Africa. Having headed the Chinese delegation to Moscow in July and having received unusual prominence at National People's Congress session in November, the emergence of the doctrinaire and militant Teng in a leading government role (especially in conjunction with Liu Shao-chi's sudden rise in stature) suggested a corresponding decline in influence of the very forces of moderation to which Khrushchev had presumably directed his appeal.

The increasingly impassioned and vitriolic nature of Peiping's anti-Soviet attack in the fall of 1963 also tended to support this conclusion. Although the content of these polemics lies outside the scope of this paper, it should be noted that Soviet counter-attacks at this time began to focus on the "utter failure" of Communist China's domestic development policy.* Of particular interest in this Soviet indictment was the charge that Communist China's leadership still clung to certain of the theoretical propositions which had produced the "great leap forward." There is reason to believe, moreover, that this allegation, when applied to the dominant "party-machine" leaders surrounding Mao Tse-tung, was true.

As the first of these theoretical propositions, the Soviets charged that the Chinese leaders continue to proclaim the basic rationale for the "great leap forward"--"Mao Tse-tung's so-called theory that the basic wealth of a country.../is/...its manpower." Speaking at almost the same point in time, Peng Chen (another leading member of the "party-machine" group) appeared to reaffirm this theory in a 1 October National Day address when he lauded Communist China's "general line of socialist construction" as "capable of mobilizing to the maximum extent the revolutionary labor enthusiasm of all the Chinese people to

*Indicating the effectiveness of this strategy, Peiping's National Day Red Flag editorial of 1 October was devoted largely to explaining in defensive tones why the "modern revisionists...slander, curse, tease and viciously attack China's socialist construction."

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overcome all difficulties and propel all our tasks forward at leap-forward speed." (Underlining supplied)

The Soviets also charged that "the Chinese leaders still oppose moral incentives to material ones." This theory the Chinese Communists espoused even more explicitly throughout 1963, perhaps most candidly and systematically in the key speech by Chou Yang (published on 27 December) which constituted a manifesto of Peiping's right to lead the international Communist movement. In this speech, Chou angrily denounced Khrushchev's "infatuation" with individual "material incentives" and "material interest" in socialist production as a violation of "fundamental theories of Marxism-Leninism." By contrast, Chou asserted that "true" Marxist-Leninists recognize and cultivate "the enthusiasm of the laboring masses for collective production in a socialist society" and "give prime importance to political education which heightens the socialist consciousness of the masses." (Underlining supplied)

Peiping's increasingly intensive "socialist education" campaign throughout 1963 was the best evidence, however, that the dominant Chinese leaders still opposed "moral" to "material" incentives in production. As revealed in the 1 January 1964 People's Daily editorial, the ultimate objective of this campaign was "to transform the people's morality and gradually foster lofty Communist ethics and social customs." More concretely, as the same editorial made abundantly clear, these "lofty Communist ethics" meant "plain living and hard struggle," austerity and sacrifice. Viewed in this light, the chief problem confronting the Chinese Communists in the winter of 1963-64 was the same problem (only considerably magnified) which had confronted them when Mao Tse-tung issued the first call for a "leap forward" in the winter of 1955-1956--how to persuade the long-suffering Chinese people to produce more and consume less in order to accelerate economic development and transform backward China into a great world power.

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VI. CONCLUSIONS

As stated at the outset of this paper, a crucial question in assessing the future course of domestic policy in Communist China is the extent to which Mao Tse-tung and his lieutenants have learned the lessons of failure of their "leap forward" approach to economic development. As preceding chapters have sought to demonstrate, Chinese Communist development policy for nearly a decade has consisted of a series of cyclical advances and retreats in successive attempts to implement this "leap forward" strategy. Conceived both as a summing-up of what has gone before and as an attempt to predict what lies ahead, the final chapter of this paper will discuss the key question of whether Communist China's leaders have in fact absorbed the major lessons of their "leap forward" experience.

Based on the findings of this paper (as well as on more recent developments), the answer to this question must be an equivocal "both yes and no." On the one hand, there is abundant evidence that the Chinese Communist leadership, well aware of serious errors in past efforts to translate these theories into practice, is attempting to apply them now with considerably more realism and practicality. As indicated in the preceding chapter, developments since the important Tenth Plenum of the CCP central committee in the fall of 1962 strongly suggest that what the Peiping regime is now attempting to accomplish is a "controlled leap" in economic development.

Perhaps the best single statement of the basic theory underlying Communist China's "leap forward" approach to economic development was made by Mao Tse-tung (in an interview with Edgar Snow in the fall of 1960) when he asserted that "the Chinese people are China's greatest resource since they are available for transforming the country without capital outlay." Expressed explicitly or implicitly in this statement are the three main ingredients of Communist China's distinctive "mass-line" approach to economic construction: (1) that the basic wealth of a country is its manpower; (2) that this manpower is "available"

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for mobilization and regimentation by the Chinese Communist party (in an accompanying statement Mao informed Snow that "the Chinese people would have to follow a very narrow line for the foreseeable future...and that great numbers of people would have to do the same thing at the same time and according to a prescribed formula"); and (3) that this massive mobilization of human labor power can be effected without resort to material incentives.

It should be noted that this "leap forward" development strategy resembles in important respects Stalin's program of forced economic development in the early 1930's, a forced draft program of industrializing a backward agrarian economy in which personal incentives and material well-being were considered to be of relatively little consequence. It should also be noted that this undertaking to make greater use of China's most abundant resource, labor, to compensate for the lack of physical resources, capital and technology is a perfectly rational policy in economic terms provided (and it is a crucial proviso) that it is implemented with reason and restraint.

That the Peiping regime still clings to the basic theories underlying this "leap forward" strategy of development is strongly suggested by the "socialist education" campaign under way in Communist China for the past 18 months, a campaign which is again asserting with increasing stridency that "politics must take command" over the economy and that political indoctrination rather than material incentives is the key to development of China's backward economy. This campaign has recently entered a new stage of intensity in which the political commissar system of the People's Liberation Army is being extended to all departments of the national economy for the express purpose (in the words of Mao Tse-tung) "of arousing the revolutionary spirit of the millions and tens of millions of cadres and masses on the economic front."

While the basic theories persist, there are at the same time haunting memories of the "great leap forward" fiasco which make for continued caution in the implementation of these theories. These memories encompass some or all of the following "mistakes" of the "great leap

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"forward" era which regime spokesmen freely admitted throughout 1962: (1) that over-rapid development of heavy industry had caused "grave damage" to the national economy, particularly to agriculture and light industry; (2) that economic decentralization had produced waste and inefficiency due (in Mao Tse-tung's own words) "to inexperience and bad organization on the lower echelons;" and (3) that overzealous local cadres had promoted the commune program "too quickly and on too large a scale," had falsified production achievements to such an extent that the central committee had "lost its way," and had forced impractical production techniques upon the peasants.

As a result of the conflict between these persistent theories of "leap forward" development and these memories of recent failure, there has been an ambivalent, [redacted] quality about recent Chinese Communist pronouncements in the field of economic policy. This quality has been particularly marked in recent directives to cadres on the economic front who are enjoined to place the interests of socialist revolution ("revolutionization") in first place and at the same time promote more efficient, rational methods of production ("modernization.") This dichotomy between the demands of political orthodoxy and economic rationality is well illustrated by the following instructions to China's economic cadres which appeared in the 27 March 1964 issue of the Peiping Ta Kung Pao: (1) to strengthen ideological and political work and at the same time improve economic and technical work; (2) to launch mass movements and at the same time strengthen management and centralized leadership; (3) to encourage revolutionary drive and initiative and at the same time persist in the scientific spirit; and (4) to promote political indoctrination and at the same time provide material incentives.

Confirming the view that the Chinese Communist leadership is currently more concerned with "revolutionization" than "modernization" is the recent revelation that a political commissar system modeled after the People's Liberation Army has been established in all departments of the national economy. Although it is clear that the establishment of this new political network is designed to tighten

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controls over the economy and society of China (an accompanying Red Flag commentary called for the formation of a giant, politically disciplined "army of socialist economic construction" in the image of the PLA), it is not yet clear whether the Peiping regime views this new system as a preventive measure to deter a further drift away from revolutionary ideals or as a preparatory measure aimed at mobilizing the Chinese people for a new "production upsurge" or "leap forward" in the future.

Since these objectives are not incompatible, it is likely that Mao Tse-tung had both in mind when he called upon all departments of the national economy "to establish and strengthen political work by emulating the Liberation Army and thus arouse the revolutionary spirit of the millions and tens of millions of cadres and masses on the economic front." There is little question that popular apathy and concern for material welfare has deeply disturbed the Peiping regime since the fall of 1962 as manifested in the mounting intensity of the "socialist education" campaign. At the same time, the ultimate objective of the "socialist education" campaign all along has been to accelerate economic development by fostering the virtues of "plain living and hard struggle." Furthermore, as a preparatory measure for a new "all-out advance" which seems sure to come in time, this political network appears to provide precisely the basic-level organization that was lacking when the "great leap forward" was launched.

The question of the timing of the next "all-out advance" is, of course, crucial. In this connection, recent evidence suggests that the Peiping regime is engaged in a fairly protracted gearing-up process preparatory to initiating a new upsurge in economic development in 1966. As pointed out in the preceding chapter, there are credible reports that the "socialist education" campaign, conceived as political and ideological preparation, is to be carried out at different levels and in successive stages extending into 1966. Several Chinese Communist officials have indicated that grain purchases from the West will continue for another two years (through 1965) for the purpose of building up grain stocks, presumably another preparatory measure looking toward a new economic advance.

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Finally, there is the recent published statement by the chairman of the National Economic Commission, Po I-po, in an interview with Anna Louise Strong, which clearly implies that Communist China will initiate its "next all-out advance" in economic development as soon as it has completed repayment of its debt to the Soviet Union in 1965.

If the Chinese Communists have in fact decided to postpone their next "leap forward"-like production upsurge until 1966, this would help explain the ambiguous, contradictory tone of recent pronouncements on economic policy noted above. While intensifying political activity and strengthening its political control structure, the Peiping regime, mindful of its "great leap forward" failures, at the same time is advocating caution and restraint and appears reluctant to make any radical changes in its present ad hoc pattern of economic and social controls. Another factor inhibiting a new "all-out advance" at this time is uncertainty about future economic development policy reflected in continuing admissions through the spring of 1964 of "many new problems in socialist revolution and socialist construction...for which solutions must be found."

Whatever these solutions may turn out to be, there is good reason to believe that they will be shaped primarily by political and ideological factors rather than by considerations of economic rationality. The economic policies which appear best suited for Communist China's economic development include (1) a long-term program of all-out aid to agriculture which would entail postponement of industrialization; (2) a sustained birth control program (which even under optimum conditions can have little effect on reducing population pressures for a decade); (3) additional measures to maximize incentives and productivity in agriculture; and (4) extensive development of economic relations with the Soviet bloc or the Free World in order to secure the machinery and technical assistance necessary for new industrial growth. With

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the possible exception of the birth control program (the status of which is still uncertain), however, the Peiping regime has not only not adopted the policies outlined above but during the course of the past 18 months has appeared increasingly to oppose them.

As this paper has attempted to demonstrate, the personality, conceptions and patterns of thought of Mao Tse-tung also support the view that Communist China's future development policy will be shaped primarily by political and ideological factors rather than by considerations of economic rationality. Although the record shows that Mao can be flexible when danger threatens, it shows even more clearly a proclivity for simplified political and organizational solutions to the complex problems of economic development. By insisting that the "science" of Marxism-Leninism does provide the answers to China's problems of economic development, the Chinese leader has tended to emphasize appeals to doctrine and faith rather than to reason and experience as the fundamental criterion in the solution of these problems. Mao's continuing penchant for rapid and inexpensive organizational solutions (the most recent being the establishment in all departments of the national economy of a political commissar system modeled after the People's Liberation Army) suggests that he is still convinced that the "mass line" which had proved so successful in the political and military struggles of the revolution can be applied to the infinitely more complicated process of economic development. Since these conceptions have produced periodic attempts to "leap forward" in the past, it can be predicted with some assurance that there will be yet another attempt to incite an "all-out advance" in economic development in the future.

In addition to these political and ideological compulsions, perhaps the basic source of the persistent strain of irrationality in Chinese Communist development policy is the fundamental contradiction between Peiping's grandiose ambition to rapidly become a great world power and the paucity of means at its disposal. It is this fundamental incompatibility between ends and means which seems to compel the Chinese Communist leadership to experiment with radical innovations in a continuing search for a short-cut

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to industrialization and great power status. Although Mao Tse-tung and the dominant leaders of the Chinese Communist party have undoubtedly learned some lessons from the excesses and more flagrant mistakes committed during the "great leap forward" era, they do not appear to have learned the most important lesson of all--that the "leap forward" strategy itself is incapable of solving Communist China's staggering problems of economic development.

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